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## BASIC PRINCIPLES OF SOVIET-U.S. RELATIONS

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 4, Apr 77 pp 3-11 LD

[Article by V. M. Berezhev]

[Text] The fifth anniversary of a very important document which defines the nature of coexistence between the two greatest powers of the contemporary world--the USSR and the United States--falls next month. We are talking about the "Basic Principles of Relations Between the USSR and the United States," signed in Moscow on 19 May 1972 by the general secretary of the CPSU Central Committee and the U.S. president. The significance of this document lies, above all, in the fact that it provides an international legal base for the relations between our countries by defining the basic principles upon which, by mutual consent, these relations must be built.

It is generally acknowledged that the normalization of relations between the USSR and the United States is of great significance not only for the Soviet and American peoples but also for all mankind. Both our powers possess tremendous economic and military potential, and because of this a state of conflict between them, which would be fraught with the risk of an armed clash, could lead to fatal consequences for the entire world. But the point is not just the reduction of the danger of an outbreak of war. Positive improvements in Soviet-U.S. relations have opened the way to new relations in the world arena as a whole and to the development of mutually advantageous cooperation among states with different social systems. It is also important that the greatest powers of the present time have succeeded in jointly drawing up and agreeing on a kind of code of conduct.

In the first paragraph of the document the sides undertake to proceed from the common conviction that in the nuclear age there is no other basis for maintaining relations between them than peaceful coexistence. They go on to declare that the differences in ideologies and social systems of the USSR and the United States are not an obstacle to the development of normal relations based on the principles of sovereignty, equality, noninterference in internal affairs and mutual benefit.

Deeming it important to prevent the emergence of situations which could cause dangerous strains, the sides undertook to do everything possible to avoid military confrontations and to prevent the outbreak of nuclear war. For this purpose they expressed the intention to always show restraint in their mutual relations, to hold negotiations and to settle disagreements by peaceful means in a spirit of reciprocity, mutual consideration of positions and mutual benefit. Both sides have acknowledged that attempts to obtain one-sided advantages directly or indirectly at the expense of the other side are incompatible with the aforementioned objectives. The necessary preconditions for maintaining and strengthening peaceful relations between the USSR and the United States are defined in the document as follows: "...acknowledgement of the interests of the security of the sides based on the principle of equality and the renunciation of the use or threat of force." (Note 1), (see SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA No 8; 1972 p 114) [JPRS 56958, 6 Sep 72]

Conscious of the special obligation which rests with the Soviet Union and the United States as well as with the other permanent members of the UN Security Council, the sides that signed the document which we are examining decided to do everything in their power to insure that conflicts on situations which could intensify international tension not occur. They expressed the intention to promote a situation whereby all countries can live under conditions of peace and security without being subjected to outside interference in their internal affairs.

Important provisions are contained in the document regarding the problem of disarmament. It is stated most definitely in the sixth paragraph that the sides "will continue efforts to limit armaments both on a bilateral and also on a multilateral basis. They will take special efforts to limit strategic arms.... The USSR and the United States consider the ultimate task of their efforts to be to solve the problem of total disarmament and to insure an effective system of international security in accordance with the aims and principles of the United Nations." (Note 2), (ibid.)

Finally, the "Basic Principles of Relations" also envisage the development of mutually advantageous links between the USSR and the United States in economic, scientific and cultural spheres, the sides having undertaken to conclude agreements on questions of specific cooperation and to promote better mutual relations and businesslike cooperation with each other without in any measure violating the interests of third countries. In the 5 years that have elapsed, about 50 important agreements and treaties have been concluded between the Soviet Union and the United States, and agreement has also been reached about mutually advantageous cooperation in more than 150 specific fields. Useful practical work is being conducted in all these directions and a large number of Soviet people and Americans are participating in this work.

The normalization of relations between the Soviet Union and the United States is of great fundamental significance. For the first time in the entire 60-year history of the Soviet state, the greatest power of the capitalist world, in its mutual relations with the Soviet Union, has actually recognized the principles of sovereignty, equality, noninterference in internal affairs

and mutual benefit. The United States has officially recognized the principle of peaceful coexistence among states with different social systems, which is enshrined in the document signed by the top leaders of the USSR and the United States.

For decades bourgeois politicians were totally reluctant to reconcile themselves to the fact that after the October Revolution of 1917 a new social order had appeared in the world. They have attempted again and again to bring mankind back to the conditions of total capitalist domination. Suffice it to recall merely the following individual landmarks: the intervention against the young Soviet republic; the Japanese militarists' armed provocations on our far eastern border; the encouragement of Hitlerite Germany's anti-Soviet ambitions which culminated in its marauding attack against our country; the concepts of "containing" and "rolling back" communism after World War II; the deliberate creation of crisis situations in various regions of the world; and the provocations by NATO military forces over a period of many years. All these were manifestations of a quite definite political course based essentially on the denial of the right of the socialist states to exist. The latest example of this was the U.S. aggression in Vietnam.

By signing the document which asserts the principle of peaceful coexistence with the Soviet Union and subsequently with a number of other socialist states, the ruling circles of the United States thereby acknowledged the inevitability of a long period of cohabitation on our planet of two socio-political systems--the capitalist and the socialist. They also acknowledged the inadmissibility of armed conflict between them. This is a fundamentally new element in contemporary international life.

The adoption of the document "On the Basic Principles of Relations" between the USSR and the United States is important in another sense, too. The Soviet Union has never threatened anyone and has not intended and does not intend to attack anyone. Meanwhile Western propaganda has repeatedly raised a hullabaloo about Moscow's imagined "aggressiveness" and about the so-called Soviet threat. There have also been many fabrications to the effect that the Soviet Union is allegedly prepared to use its armed might to promote social transformations in other countries, even though the leaders of the CPSU have repeatedly and categorically rejected the fictions about "exporting revolution," emphasizing that social improvements in any particular country are exclusively the domestic affair of each particular people. This position of Moscow's has been confirmed by the entire 60-year history of the Soviet state. However, if some people in the West still have doubts on this score, the signing by the top Soviet leader of the "Basic Principles of Relations" between the USSR and the United States must have finally dispelled such uneasiness. For in this document the Soviet state once again proclaimed most responsibly the principle of noninterference in the internal affairs of the other side and confirmed its policy of renouncing the use or threat of force.

Consequently, this most important document is aimed at creating an atmosphere which is favorable for the emergence of definite trust both between the USSR

and the United States and . . . between the capitalist and socialist countries as a whole. On this basis mutually advantageous cooperation can develop in the most varied spheres, and moreover the expansion of this cooperation will lead in turn to the consolidation of a sense of security in the world arena.

If all the provisions of this document are observed strictly and absolutely, in the final analysis they must lead to the emergence of a totally new form of international relations. For thousands of years war has been a continuation of policy, only by other, forcible, means. When diplomacy was unable to achieve any particular objective, armed force together with a pledge to settle disagreements by peaceful means signify, at least in the long term--and of course by no means in the near future as yet--a transition to a completely new and unprecedented method of conducting international affairs, where armed force and war cease to be instruments of policy and where any disputes will be resolved exclusively by peaceful means, via mutually acceptable agreement. Nothing of the kind existed in the past, even in the mutual relations of states with the same sociopolitical structure. It is all the more important that the appropriate accord has now been reached between states belonging to different social systems.

In order to fully implement this accord, it is essential to adhere to the reciprocal commitments and above all to observe strictly in international relations as a whole the principle of the nonuse of force. It is also essential to take practical steps to end the arms race. The real task of limiting the production of weapons, the reduction of their stockpiles and, as an ultimate objective, total disarmament, are now moving into the foreground.

It was logical that in the "Basic Principles of Relations" the sides undertook to "continue efforts to limit arms both on a bilateral and on a multilateral basis." At that time, in May 1972, a treaty was concluded between the USSR and the United States on the limitation of ABM systems, and an interim agreement on certain measures with respect to the limitation of strategic offensive arms was signed. The following year, during the visit to the United States by L. I. Brezhnev, general secretary of the CPSU Central Committee, the top leaders of the two states signed an agreement on the prevention of nuclear war and also the basic principles of talks on the further limitation of strategic offensive arms. In the fall of 1974, during a working meeting in Vladivostok between the CPSU Central Committee general secretary and the U.S. president, accord was reached regarding the basic provisions of a new long-term agreement on the limitation of strategic offensive arms.

Unfortunately this accord has not yet been successfully realized, insofar as the U.S. side decided not to hasten to sign a new agreement under conditions of the intensifying interparty struggle of the preelection period. However, now, since the new administration has come to power in the White House, and following the statements made in Washington on this score, the possibility for further progress has been revealed.

"The Basic Principles of Relations" between the USSR and the United States, of which the main principles are reflected in many bilateral documents signed by socialist and capitalist countries, just as they are reflected in the final act of the Helsinki meeting, as has already been said, create objective preconditions for the development of mutual relations of a fundamentally new nature in the international arena. But to transform these preconditions into reality, it is essential above all to renounce the remnants of the cold war and to comprehend in depth that the practice of past centuries, when armed force and war were used as instruments of foreign policy, is totally unacceptable in our epoch.

Of course, such a restructuring is not a simple matter. The experience accumulated over the past 5 years shows that progress along the path of detente requires constant energetic action, the surmounting of the obstacles which appeared in the cold war years and also the overcoming of the resistance which is still being put up by the enemies of peace. Moreover, deviations from the charted course and lapses into the past have occurred in Western countries, including the United States. All this indicates that difficult work lies ahead, too. Everyone who really wants to create a stable and lasting peace, a peace without wars and violence, will have to make great efforts and display persistence and tenacity. On this plane the mass information media, on which the overall atmosphere in the world arena greatly depends, can play an important role. Unfortunately many organs of the press, radio and television in Western countries are operating in a diametrically opposite direction.

In the last 18-24 months the process of the normalization of relations between the Soviet Union and the United States has been substantially retarded although, in many specific fields where relevant agreements have been concluded, mutually advantageous cooperation is taking place. The absence of progress on cardinal problems is connected with a number of factors: discriminatory measures adopted by the U.S. Congress within the context of the trade reform law have hindered the entry into force of the trade agreement between the USSR and the United States concluded in the fall of 1972; the holdup in the signing of a new long-term agreement on the limitation of strategic offensive arms has made it impossible to pass on to the third phase of the talks; and the unconstructive position of the United States and the other Western countries at the Vienna talks on the reduction of armaments and armed forces in central Europe has made for an absence of progress at these talks.

In no way can responsibility for all this be placed on the Soviet Union. The USSR Government has invariably displayed readiness for the speediest progress, having put forward over this period a number of new initiatives both in the United Nations and also--jointly with the other member states--on behalf of the countries belonging to the Warsaw Pact.

Meanwhile, in the course of this protracted pause, which has been caused partially by the specific conditions of the preelection situation in the

United States, no positive steps have come from the Western powers. On the contrary, a propaganda campaign has been unleashed there which is patently designed to complicate the situation, to render the holding of further talks on the limitation and reduction of armaments more difficult, to sow mistrust of the Soviet Union and the other socialist countries and to complicate the process of the relaxation of international tension and the normalization of relations between states with different social systems.

This campaign is still going on, at an increased rate and in several directions. Above all, an attempt has been made to discredit the course toward detente in general. Stories have been spread that detente is allegedly a one-way street from which the Soviet Union alone gains. Meanwhile it is perfectly obvious that the specific agreements and accords which have been reached in the course of this process became possible only through the mutual consent of the sides and consequently could not fail to accord with the interests of all the participants in the negotiations. It is also important that detente in general has reduced the danger of armed conflict and that, considering the devastating nature of modern weapons of mass destruction, detente benefits all peoples equally, as it does their peace of mind and confidence in the future.

The theories on the possibility and permissibility of a "limited nuclear war" between the United States and the USSR which have arisen in the United States also essentially contain an attack on detente. The advocates of these theories try to accustom the U.S. public to the idea that a nuclear conflict, if it is waged "according to rules," is not at all terrible. Without even mentioning the adventurist nature of such propaganda, it must be seen that its supporters are thus proceeding from the premise that nothing has changed in mutual relations between states since the era of confrontation. It emerges that, despite the adoption of the "Basic Principles of Relations" by the USSR and the United States, the solution by force of problems which arise is allowed as before, and in addition with the use of nuclear weapons, albeit on a limited scale!

In their spirit and letter the "Basic Principles of Relations" between the Soviet Union and the United States signify the sides' readiness to seek fundamentally new approaches in international affairs and oblige them not to resort to force or the threat of force. Therefore discussions on the permissibility of "limited nuclear war" signify flagrant disregard of this very important principle of interstate relations in the present era. In addition, theories of a "limited nuclear conflict" flagrantly contradict the agreement on the prevention of nuclear war. In this document both sides expressed the desire to "create conditions under which the danger of an outbreak of nuclear war anywhere in the world would be reduced and in the final analysis, eliminated." They agreed that "each side will refrain from the threat or use of force against the other side, against the other side's allies or against other countries under circumstances which could jeopardize international peace and security." (Note 3), (ibid., No 8, 1973 p 106)

[JPRS 60025, 13 Sep 73]



In this connection attention must be drawn to the thesis, still current among influential U.S. political circles, to the effect that "diplomacy which excludes the use of force is sterile and fruitless." Here, as we can see, matters are not restricted to the might of a particular state being designed to lend weight to its diplomatic actions. It is something else which is being borne in mind--the direct and overt use of force, that is, precisely that which has been recognized as impermissible in the "Basic Principles of Relations," in the agreement on the prevention of nuclear war and in a number of other bilateral and multilateral documents including the final act of the Conference on Security and Cooperation in Europe signed in Helsinki by 35 states.

One frequently hears the opinion that although in the past there were no weapons of mass destruction, many wars even then caused civilizations to perish and whole peoples to be annihilated. Past eras allegedly also knew many "treaties on permanent peace" and pledges "never to resort to arms." Therefore, it is said, the agreements concluded recently, although the states party to them treat them perfectly seriously, may not be permanent. With a change in the domestic political situation in a particular country, with changes in the correlation of forces in the world arena, the commitments which have been undertaken could allegedly lose their restraining function: The danger of the destruction of a particular country or group of countries will be simply ignored by a government embarking on the path of war, as has frequently occurred in the past. From this it is concluded that no special reliance should be placed on treaties and agreements, but that security should be sought in the intensification of armed might. A vicious circle is thus formed which essentially perpetuates the arms race.

There is one important flaw in such arguments. Their authors close their eyes to the fact that, whereas in previous eras whole peoples were sometimes exterminated and great civilizations perished as a result of wars, at that time the aggressor, having prepared his attack well, could count on his country having a chance of surviving, even after a very destructive war, in the event of victory. In our age there is no such chance.

The entire course of recent events shows that the insuring of security now can be achieved not by stockpiling arms, however sophisticated they may be; that is, not by technical but by political means--by normalization of the international situation, by a sensible, realistic foreign policy and by advance along the course of detente and the peaceful solution of the problems which arise.

Alongside other documents, the road to such practice in international affairs and in particular in Soviet-U.S. relations is opened up by the "Basic Principles of Relations" signed in 1972. The commitments they contain not to use force in international relations and to regulate disputes by peaceful means reflect not only the fact that at the present moment the sides which have undertaken these commitments consider the use of force "inexpedient" or "disadvantageous" for particular reasons. They stated in black and white the totally new situation which has taken shape in our era.

It was by no means considerations of expediency which led the top leaders of the USSR and the United States to establish this position. They were guided by a profound understanding of the responsibility which rests on their countries--the greatest powers of the present day--for the fate of mankind and all modern civilization.

It follows from this that the approach to these documents should not be the same as toward many diplomatic documents of previous eras, which were frequently adopted very ceremoniously but then became mere scraps of paper even before the ink on them had dried. The firm observance of mutual pledges on the nonuse of force is a stern necessity from which there is no escape. This is an imperious demand of the times.

Efforts to resurrect mistrust and all sorts of fears with regard to the Soviet Union occupy a considerable place on the present campaign to discredit detente.

It is well known that in the past similar intimidation campaigns were frequently undertaken. The buildup of military might proceeded--invariably to the accompaniment of expatiations on the "Soviet threat," on the U.S. "lag" in the field of strategic aircraft, and then on the so-called missile gap--which naturally obliged the Soviet side to take appropriate ruling circles acknowledged the existence of "overall parity" with the Soviet Union in the military field and were obliged to move from the era of confrontation to the era of negotiations with the socialist countries. It was a sensible decision which led to mutually advantageous agreements and accords and considerably improved the entire international situation. Now the "hardliners" and supporters of the continuation of the arms race are again shouting from the rooftops about the "Soviet threat" and the USSR's intention to "surpass" the United States with a view to dealing a "preemptive strike" and so forth. Under this false pretext they are demanding the "insuring of U.S. security" by means of the further buildup of military might and are even speaking of the need to achieve U.S. "supremacy." It is not hard to predict that this will give the United States nothing but could seriously complicate the process of detente.

The Soviet Union has never attacked anyone and does not intend to attack anyone. This was confirmed once again very authoritatively by L. I. Brezhnev in Tula: "On behalf of the party and entire people I state: Our country will never embark on the path of aggression and will never raise its sword against other peoples." (Note 4), (PRAVDA 19 Jan 1977)

The Soviet state's efforts are directed precisely toward insuring that matters do not reach either a preemptive or a retaliatory strike and that there is no nuclear war at all. "Not a course toward supremacy in arms but a course toward reduction and toward the easing of military confrontation--that is our policy," (Note 5), (ibid.) L. I. Brezhnev stated. And if anyone in the West still has any doubts, there is nothing simpler than to test the Soviet land's peaceful intentions by taking part with it in practical measures to limit and reduce arms.

The campaign which has now been raised in the United States and other Western countries around the "human rights" issue is essentially aimed at discrediting the policy of detente. Here reference is usually made to the final act signed in Helsinki in 1975, from which individual provisions are arbitrarily extracted, and a propaganda ballyhoo is blown up around this about the Soviet Union's alleged "nonfulfillment" of the commitments it undertook. The aim of manipulations of this sort is obvious--to hinder the positive processes taking place in the world arena, to sow mistrust in Soviet policy among the public of the Western countries, and at the same time to try to put pressure on the USSR. And here it is by no means a case of true concern for "human rights," since in that case their champions would above all have more than enough to deal with in their own house. It is a case of a deliberate and previously planned political campaign aimed at poisoning the international atmosphere. It is by no means accidental that during this campaign some of the dubious actions of the new administration have been stormily applauded by figures like Jackson, Meany and representatives of the extreme right, reactionary wing of the U.S. political elite.

The Soviet side has frequently indicated its determination to fulfill all the provisions of the document adopted in Helsinki. Speaking in Tula on 18 January, L. I. Brezhnev, general secretary of the CPSU Central Committee, mentioned this again: "We regard the final act of the all-European conference as a code of international commitments whose point is to insure stable peace. All its provisions must, of course, be fulfilled, and we are showing daily concern to insure this. The Central Committee attaches great political significance to this. Many of our ministries and departments have been enlisted in it.

"It is perfectly natural that at present more has been done in some directions than in others--essential steps are being taken gradually or are still only being planned. Much here depends on the overall state of political relations between states, on the level of detente, as they say. By poisoning the international atmosphere, the opponents of detente are only complicating this work." (Note 6), (op. cit., PRAVDA)

At the same time it must not be forgotten that in the understanding of some questions of human rights in our country, the Soviet Union, and in the bourgeois states there are and will continue to be fundamental differences stemming from our different ideologies, world outlooks and social systems.

Soviet people have much to say--and with real justification--concerning the state of affairs with regard to the safeguarding of human rights in the capitalist countries, and not least in the United States. Suffice it to recall the many millions of unemployed, the racial discrimination, the unequal rights for women, the infringement of citizens' personal freedoms and the rise in crime which causes people to become prisoners in their own homes.

But it is clear that attempts to impose one's views on the other side and--all the more so--to introduce such issues into the sphere of interstate relations can only complicate the situation and have hampered the solution of those problems which really can and must be a subject for collaboration and cooperation among states.

Relations of peaceful coexistence and constructive cooperation between the USSR and the United States are in the interests of both peoples. But they can be developed fruitfully only when they are based on mutual respect for the principles of sovereignty and noninterference in internal affairs. This is precisely what is stated in the basic Soviet-U.S. documents and above all in the "Basic Principles of Relations" between the Soviet Union and the United States.

It is well known that for decades our people had to live and struggle under very hard conditions: the years of counterrevolutionary plots at the dawn of Soviet power, the civil war and foreign intervention, the enormous efforts for the country's industrialization and the collectivization of agriculture--all this in an atmosphere of fierce resistance from the class enemy within the USSR and of hostile encirclement. Then a bloody war, unprecedented in our motherland's history, descended upon us. After the hard-won victory there was the selfless, heroic restoration work under the conditions of the cold war and extreme hostility on the part of the capitalist states. All this forced the Soviet land to display the highest self-discipline and in a number of cases to display self-restraint and organization and unbending stanchness.

As the new social system in the USSR strengthened and developed, socialist democracy also developed, the methods of management were improved and various rules and provisions were simplified. Anyone who compares the Soviet people's present-day life with what it was in, let us say, the thirties, cannot fail to see the tremendous steps our country has made in this respect. But it must not be forgotten that, right up to the beginning of the seventies, when the cold war receded and the process of detente began to develop, the international situation was totally unfavorable to the acceleration of the internal processes in question.

The Communist Party, which guides our country's entire life, is fully determined to continue to improve Soviet socialist democracy, to insure the increasingly broad participation of the working masses in the management of public affairs and to develop the democratic foundations of our statehood.

Attempts by the enemies of international cooperation to interfere in the Soviet Union's internal affairs are clearly aimed at complicating the situation again and at causing tension in mutual relations between states with different social systems. All this can only harm the cause of detente.

The Soviet side has frequently explained the meaning of detente, which fully accords with the most important principles contained in the "Basic

Principles of Relations." Recently L. I. Brezhnev, general secretary of the CPSU Central Committee, again explained the Soviet understanding of this process:

"What is the relaxation of tension? What do we include in this concept? Detente is above all the overcoming of the cold war, the transition to normal, equitable relations between states. Detente is the readiness to resolve differences and disputes not by force, not by threats and saber-rattling but by peaceful means, at the conference table. Detente is a certain trust and the ability to consider each other's legitimate interests." (Note 7), (ibid.)

The practice of recent years has shown that in a comparatively short period, by marching along the path of detente, a tangible improvement in the international atmosphere has been successfully attained. And--this is the main thing--the danger of another major war has receded. Surely such positive advances are in the interests of all peoples inhabiting our planet?

On the other hand, the attack now being made against the policy of detente and the attempts to sow mistrust toward the Soviet Union and the other socialist states are, along with everything else, aimed at tying the hands of the new administration--in whose recent statements one could glimpse a willingness to implement positive measures--and hampering the implementation of the positive measures.

The "Basic Principles of Relations Between the USSR and the United States" contain the only provisions and rules for behavior permissible in our era--provisions and rules based on the principle of peaceful coexistence between the states with different social systems. This very important document, which will be 5 years old this May, can, if its conditions are constantly observed, still long and usefully serve the interests of the Soviet and U.S. peoples and the interests of peace and security on our planet.

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## SOME NEW TRENDS IN TRANSATLANTIC RELATIONS

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[Text] Against the background of the continuing dispute between the "Atlanticists" and "Europeanists,"<sup>1</sup> the "Atlanticists" themselves--advocates of the consolidation of the North Atlantic region--have split up into two ideological groups. One group advocates "structuralism" as the major means of Atlantic integration, while the second supports the "functional" approach.

The "structuralists" are striving for some kind of international legal reenforcement of the ties between the United States and Western Europe. Their tactics consist in concluding multilateral agreements, institutionalizing transatlantic relations and regulating the behavior of allies within the framework of common organizations. NATO and the Organization for Economic Cooperation and Development (OECD) represent the embodiment of the "structural" approach. An attempt at the further "structuralization" of the ties between the United States and Western Europe was the motive for the proposals advanced at the beginning of the 1970's in regard to the establishment of a "permanent agency for mutual consultation," in which the European community and the United States would be represented by "high-level government officials according to the principle of equality."<sup>2</sup> The "structuralists" of the 1970's insist that only joint organizations can prevent schism in the West. Their proposals in regard to the establishment of intergovernmental and supergovernmental agencies "are of even greater value today than they were 10 years ago. We have every reason for saying that, if these proposals had been implemented then, it is unlikely that the Atlantic world would have fallen into the chaos in which it now exists,"<sup>3</sup> writes Swiss researcher C. Gasteyger. The establishment of a rigid framework of a supergovernmental type, a structure stimulating convergence, is seen by this group of "Atlanticists" as the only way of ensuring the lasting unity of the West.

The advocates of the second approach--the "functionalists"--deny the need for organizational structures. They feel that unity should be ensured through the resolution of common problems, giving preference to concrete,

mutually advantageous programs on the construction of diplomatic blocs. Although, in general, they do not object to the presence or the consolidation of existing transatlantic agencies, the "functionalist Atlanticists" say that such structures, which are only rigid on the surface, actually allow their members to hide behind the vague clauses in their charters and to avoid the direct fulfillment of their obligations to their allies. The "functionalists" even criticize such Atlantic organizations as NATO (saying, for example, that its members cannot reach a decision on the integration of nuclear weapons within the bloc or on the more "just" distribution of the financial "burden") and the OECD (which cannot cope with customs and non-customs trade barriers). This group of "Atlanticists" feels that such factors common to the West as the energy shortage and the need for joint "protective measures" against the developing nations are more likely to stimulate Atlantic unity than a hierarchical structure (orders from above). The "functionalists" are energetically trying to take advantage of the common shortage of oil, which arose during 1973-1974, to consolidate the West.

During the mid-1970's, the question of a choice between the "structuralist" and "functional" approaches acquired new significance. The "blame" for this must be placed on the considerable changes in the interrelationship between the United States and Western Europe, caused primarily by three factors. These were the continuing change in the correlation of world forces in favor of socialism, democracy and social progress, which manifested itself, in particular, in the considerable reenforcement of leftist forces in the capitalist nations; the grand-scale crises in the world capitalist economy, the most severe crisis of the postwar period; and the activization of the movement in the developing states of Asia, Africa and Latin America against the exploitation of these states by the developed capitalist countries.

The economic crisis has become the general background against which the relations between America and Western Europe have developed in recent years. One of the peculiarities of this crisis consisted in its unequal effects on the United States and Western Europe and, in Western Europe, which had still not crossed the threshold of complete economic integration, the unequal rates of production decline in different countries. Some nations (England and Italy) especially suffered from a combination of inflation and production decline. At the same time, the FRG--leader in Western European industry--was not affected by the crisis to this degree. As a result, the conglomerate of the EEC members, which had already been characterized by uneven economic characteristics, began to represent an even more unevenly developed zone, which weakened its position in regard to the United States. The political consequences of this soon made themselves apparent. The world crisis, evoking memories of 1929, aroused "protective" impulses in the United States and revived the factor of bourgeois class solidarity. Facing the prospect of intensified class struggle, the American and Western European bourgeoisie found a common language more readily than ever before in the search for a means of self-defense. This brought centripetal tendencies to the fore.

A second factor changing the political and economic climate during 1974-1976 and fundamentally affecting the development of American-Western European relations--the growth of leftist forces--took a quite tangible form in the European capitalist countries. The milestones indicating this growth were the creation of a leftist bloc in France, the overthrow of the military fascist dictatorships in Greece and Portugal, the revival of political life in Spain and the significant increase in the strength of the Italian Communist Party. Part of the Western European bourgeoisie, frightened by these social changes, relaxed its "Europeanist" opposition to "Atlantic" schemes and the United States' proposals in regard to integration.

The most important factor may have been the penetration of the world political and economic arena by the bloc of developing nations, which, until recently, had been regarded by political scientists and even ruling circles in the West as an "insignificant" entity in an era of scientific and technical revolution and the dominance of industrially developed "centers." The energetic and effective actions taken by the OPEC nations after the October War of 1973 in the Middle East showed that a new "world center" had appeared. In a speech on 12 May 1975, H. Kissinger, theoretician of the "pentapolar" system, had to add the producers of oil to the group of political and economic poles, in addition to the five "traditional" blocs.<sup>4</sup>

This advancement of the nations producing raw materials to the international foreground had different effects on Western Europe and the United States; ever since the time when the energy crisis began to grow severe, Western Europe has had to depend more and more on costly types of liquid fuel. Accelerated inflation struck a blow to the currency unity of the EEC. At the same time, the position of the dollar on the world exchanges became strong again. The deterioration of the state of the Western European economy and the simultaneous improvement in several areas of the American economy (particularly in the area of international trade) shifted the transatlantic economic balance in favor of the United States. The relative weakening of the EEC on the economic level, in conjunction with all the factors mentioned above, made the United States, Western Europe and Japan more willing to make compromises to settle their conflicts and caused them to search for new ways of blocking objective necessity.

After the United States' final defeat in Vietnam and after the failures of American diplomacy in the developing regions of the world, the idea of the need to strengthen its "internal camp" and to consolidate its alliance with the developed capitalist countries, especially in Western Europe, was developed in a new way during 1974-1976. For example, famous American political scientist E. Goodman concluded that it was only within a broad "Atlantic community" that the United States could guarantee the preservation of its position and influence in the world.<sup>5</sup> The assumption of the offensive by the developing nations and the fear of revolutionary change in the world economy reenforced the tendency toward solidarity among the exploiting states, hoping to find new leverage in their interrelations with the Third World and to restore their positions to some degree in Asia, Africa and Latin America.<sup>6</sup>



Under these conditions, the American Administration continued its previous general line emphasizing the unification of positions and the close coordination of the efforts of all the developed capitalist nations as the basic condition governing the arrangement of all economic ties in the capitalist world, which is to be followed by the "clarification of relations" with the developing countries. The priority of consolidating Western alliances was stressed by H. Kissinger, secretary of state in the Republican Administration.<sup>7</sup>

J. Carter, the present President, also expressed himself in this way several times.

Intensified action on the part of the "Atlanticists" and American pressure led to a situation in which French initiative, reflected in the EEC's decision to begin a separate dialog with the Arab exporters of oil, was paralyzed to a certain degree. The United States was able to take advantage of the "oil impact" to take steps in the direction of Atlantic integration.

The International Atomic Energy Agency (IAEA), the establishment of which was inspired by the United States, became the first form of "functional" unification. Taking advantage of common demands and interests for the purpose of unifying the developed capitalist nations, the American Government invited officials from the EEC countries, Norway, Japan and Canada to Washington in February 1974. An intergovernmental system was founded by these states in an area of considerable importance in total economic development--power engineering--in October 1974, at the time of the severe energy crisis.

The establishment of a structure to regulate the distribution and conservation of oil and the elaboration of joint programs to develop new types of energy allowed American "Atlanticism" to partially accomplish something that Western European "Europeanism" had not been able to do--namely, to guarantee a high level of political solidarity, uniting most of the developed capitalist nations.

This tactic of new and modernized "Atlanticism" was supported by some of the "Europeanists" who had become panic-stricken because of Western Europe's economic ills and the upsurge in the social movement. For example, the "Europeanist" emphasis was somewhat played down in the report compiled at the request of EEC central organs by a committee chaired by P. Marjolin. "Now that Europe has encountered the indisputable dangers called 'inflation,' 'a large deficit in the balance of payments' and 'unemployment,' the only possible and sensible option for the EEC is to find a common position and cooperate with North America and Japan in resisting these dangers, without wondering about the more distant future."<sup>8</sup> The weakening of the Western European link of capitalism and the fear inspired in the Western European bourgeoisie by the social consequences of the economic crisis simplified the establishment of the "new Atlanticism."

France was the only one of the large Western industrial nations that did not join the IAEA, defending the possibility of a separate dialog (on a bilateral basis and through the EEC) with the developed nations. After failing to gain the support of its Common Market partners, however, France was forced to make compromises in December 1974, at the time of the talks between President V. Giscard d'Estaing and G. Ford on the island of Martinique,<sup>9</sup> and, in particular, had to agree with the general line of the Western camp at negotiations between the developed capitalist countries and the developing states (the so-called "North-South" dialog). The French magazine PARIS-MATCH explained President Giscard d'Estaing's willingness to compromise with the United States by the fact that "the significance of the outcome of these talks will transcend the context of France's national interests and will acquire international scales."<sup>10</sup> G. Ford, speaking in the White House at a reception honoring the French President on 17 May 1976, said that, "in view of the great challenge" that had been thrown down to both nations, their "close cooperation is more important now than ever before."<sup>11</sup>

Therefore, recognizing the objective need for joint action, the major industrial nations, led by Washington, began to resolve some of their mutual economic conflicts, thereby establishing more favorable conditions for the establishment of a mutually acceptable basis of alliance.

Such concepts as "centers of force," which had been so popular at the beginning of the 1970's, were not used in the foreign policy section of the president's State of the Union Message to Congress in 1975. In regard to America's allies, this report called for the development of cooperation. Cooperation between the consumers of energy was described as "one of the most successful foreign policy operations" of the United States.<sup>12</sup>

The possibilities of the "functional" approach were considerably expanded by the currency and finance difficulties common to the Western nations. Perceiving the Western European countries' great concern about the rapidly growing deficit in the balance of trade (10 billion dollars for England and 7 billion dollars each for France and Italy in 1974), the United States revealed another aspect of its unification policy at the end of 1974 by proposing the establishment of a system of currency and finance insurance for the economies of the Western nations (the so-called "safety net"). Specifically, they suggested the creation of an OECD assistance fund with assets of 25 billion dollars to eliminate this deficit.

An agreement on this financial assistance fund was signed in Paris on 9 April 1975 after a few months of intensive negotiations. It specified the quotas of members, their financial obligations, the voting procedure and other rules. "The U.S. Department of the Treasury," C. Robinson, deputy secretary of state for economic affairs, reported to the Senate Foreign Relations Committee, "was the leader in drawing up this financial agreement";<sup>13</sup> the agreement represents "a milestone in international economic

cooperation."<sup>14</sup> The official purpose of the fund is to prevent unilateral actions and to stimulate transatlantic cooperation on a multilateral basis; in actuality, it has become another way of impeding separatist, "Europeanist" tendencies.

A system for the recycling of "oil money" was set up as part of the International Monetary Fund for the same purpose. Washington assured its allies that, by acting in unison, the Western countries would inevitably regain the billions they had spent on oil. "The currency surplus of the OPEC nations must be returned. There is no other alternative"<sup>15</sup>--this was the kind of persuasive statement made by American diplomats in their attempts to unite the West on the foundation of the desire to recover the "petrodollars."

The basis of the compromisory approach, which proved to be effective, were worked out during the implementation of America's unification policy in regard to Western Europe.

What significant sacrifices did the United States make? It retreated from its inflexible, hegemonistic positions of the 1950's and 1960's. Without rejecting its primary goal of achieving supremacy in the economy, it agreed to a certain degree of "interdependence" with Western Europe, since the alternative might have been schism, competitive wars, estrangement and a crisis in economic relations and the entire economic system of the capitalist world. The willingness of the United States to "reconcile itself" to the severe blows dealt to some of the branches of American industry with the least competitive potential, to fluctuations in the exchange rate of the dollar (on an equal basis with other currencies) and to the partial admittance of its Western European competitors into the American economy was a prerequisite for compromise.

By the end of 1975, direct long-term Western European investments in the United States amounted to 25 billion dollars, which signified an increase of 40 percent in 2 years.<sup>16</sup> In carrying out such programs as the "general energy supply system for the West," the United States deliberately shouldered part of the burden, expecting "Atlanticist" gains from this. To a certain extent, it also departed from aggressive tactics in the area of finances (characteristic of the 1970-1972 period, when Secretary of the Treasury J. Connally had openly exerted pressure on America's allies), "reconciling itself" to the appearance of strong rivals competing with the American monopolies. These were the "sacrifices" involved in the American approach, which increased the possibility of compromise.

What did the United States received in return? Compromise began to signify a certain delay in the development of the separatist tendencies of "Europeanism," a new way of attaching the Western European nations to the United States in such vitally important spheres as energy supplies and the formulation of a more or less common position during negotiations with the developing countries exporting raw materials.

As the United States became more successful in converging with its major competitors, the sphere for the application of the "functional" approach expanded. Exploiting the economic difficulties of the EEC countries and Japan, which had encountered a collective and stubborn economic contractor, not only in OPEC but also in the entire bloc of the developing countries, Washington tried to oppose it with a Western united front at all of the most important international forums.

The modernized variant of "Atlanticism" developed according to this plan. Although there was no dialog between the developed capitalist and developing countries at the first preliminary session of the conference on international economic cooperation, which began in Paris in April 1975, and the second meeting was postponed to December 1975, from the standpoint of the American "functional" approach to Atlantic construction, there was some progress in the achievement of compromise: The West remained relatively unanimous and, with the unspoken agreement of America's partners, the United States took the initiative in representing the West.

In May 1975, the American secretary of state managed to persuade his Western partners to agree to a considerable expansion of the role to be played by the International Atomic Energy Agency during the negotiations with the developing countries. The IAEA took on additional functions, setting up three committees for the dialog between the developed capitalist and developing states: on energy, on raw materials and on economic assistance. The decision to set up a fourth committee--on financial matters--was made later. "We do not regard these committees," said H. Kissinger, "as discussion groups; we see them as mechanisms which will aid in the resolution of important problems."<sup>17</sup> At the session of the OECD's ministerial council on 28 May 1975, H. Kissinger continued his tactic of implementing functional unity, proposing that a special group of economic experts be formed to determine the common conditions governing the permanent economic growth of all OECD nations and to make the appropriate recommendations. "The importance of our economic cooperation transcends the significance of immediate economic advantage,"<sup>18</sup> he insisted.

The American side did everything possible to coordinate the work of the IAEA and the OECD council, regarding them as "two institutes with the aim of solving problems connected with the interdependence of the industrial societies."<sup>19</sup>

The spectrum of the "functional" approach was expanded even more when the United States proposed the establishment of a common arms production agency at a session of the NATO council in Brussels at the end of May 1975. In addition to expansion of the functions of the IAEA, this indicated Washington's desire for all-round cooperation with its Western partners. Besides this, the proposal delineated Washington's main tactical line: The establishment of a cartel in the Western defense industry would, in the first place, weaken the competition considerably (which had been particularly intense during the 1960's and 1970's) and aid in the convergence of the three largest traders in arms--the United States, France

and England--and, in the second place, could aid considerably in harmonizing the interests of the allies and in restoring Atlantic solidarity in view of the fact that the sale of weapons is a growing and extremely profitable sphere of the Western economy.

The bill on defense purchases signed by President G. Ford on 14 July 1976 should be regarded as a step in the direction of the "interdependence" of the Western countries; it was distinguished as a move toward the standardization of the NATO countries' weapons systems. Clauses 802 and 803 of the new bill directly encourage collective programs of arms production.

NATO was also used by the American leaders in the interests of the "new Atlanticism." On a trip to Brussels for a session of the bloc council in May 1975, President G. Ford said that this Western alliance should be regarded as "an immense joint undertaking and an obligation to observe a common policy. We must make use of the results already attained by the Committee on the Challenges of Modern Society (part of NATO--A. U.) in solving the problems of the industrial world."<sup>20</sup>

Ideas about expanding the functions of NATO's higher forums, particularly the idea of assigning its consultative agencies the functions of political planning, are becoming increasingly popular with American researchers of Atlantic problems.<sup>21</sup> These proposals are in accord with the plan suggested by H. Kissinger as early as December 1973, calling for frequent meetings of the political directors of the NATO countries' foreign ministries, but they are now more restrained, in the spirit of the "functional" approach, since they do not require the creation of new mechanisms and only envisage expansion of the functions of existing agencies. In this case, they suggest that economic and finance ministers also be invited to meetings of the foreign and defense ministers of the bloc countries. They also suggest that the extended NATO council should discuss economic affairs at its meetings at least once a month. This will require that the authority and significance of the NATO Economic Committee be considerably increased. "It is not enough to simply state that (Western) Europe and America are faced by common problems and that common sense dictates the need for joint, intelligent decisions. It is essential that there be a political process involving representatives from the NATO governments in the making of specific decisions within the framework of agencies having jurisdiction over the entire community and having the purpose of advancing, formulating and implementing proposals which could not be advanced by national foreign policy departments"<sup>22</sup>--this is the conclusion drawn by the "functionalist Atlanticists."

Here it would be wise to recall the "insignificant change" made by J. Schlesinger, former American secretary of defense, which essentially represented an attempt to legally assign NATO the functions of a policeman in the West. While the treaty of 1949 on the establishment of the North Atlantic bloc stated that the official goal of the organization was the preservation of the "territorial integrity" and "political independence"

of its members, in the mid-1970's, in defining the goals of NATO, J. Schlesinger gave primary significance to the desire of the members of this alliance "to use all necessary means in the fight to preserve the inviolability of the political structure and territorial integrity of their countries."<sup>23</sup>

This expansion of NATO functions would signify direct intervention in the internal affairs of those members of the organization for whom "things were going badly at home," which would completely suit the purposes of the grand bourgeoisie in Western Europe. This revealed a definite convergence of the ruling circles in both regions on the basis of class solidarity. The fear inspired in the bourgeois West by the consolidation of leftist forces was also reflected in the decision adopted by the United States, the FRG, England and France on economic sanctions against governments with representatives of communist parties forming part of their leadership (this referred to Italy).

A factor favoring the intensification of "Atlanticism" was the change in some of the aspects of French foreign policy. We are referring here to the obvious departure from the principles of de Gaulle's policies, and the definite convergence of French strategic plans with NATO plans after General Mery, commander-in-chief of the French Armed Forces, announced that, in the event of a conflict in Europe, France would immediately enter into military operations carried out by the North Atlantic bloc. Without beating around the bush, the French side asked the United States to maintain the high level of its military presence in Europe.<sup>24</sup> This shift in Paris' policies, which was accompanied by an increase in the defense budgets of France and the FRG--the major Western European military powers--strengthened, in the opinion of the American magazine FORTUNE, the "morale of NATO."

The unprecedented meetings of the heads of the most highly developed capitalist nations in Rambouillet in November 1975 and in San Juan in June 1976 represented one of the chief signs of the compromisory development of the "Atlantic community." The idea of Western summit meetings was not a new one. But under previous conditions, the conditions of overt confrontation between "Atlanticism" and "Europeanism" and the prevalence of centrifugal tendencies, this kind of meeting could only have intensified mutual attacks and the defense of independence and all the attributes of separatism. When France itself--the leader of "Europeanism"--proposed this kind of meeting (because it was unable to tolerate the continued loss of "petrodollars" from the Arab nations to the more profitable American market) and when stability, the revival of economic growth and the common struggle against manifestations of the "leftist menace" on NATO's southern flank put France into the position of a "petitioner," along with the FRG, England, Italy and Japan, the United States saw new possibilities.

Taking advantage of this favorable situation for promoting the "new Atlanticism," the United States agreed to the meetings on the condition that certain topics be added to the agenda. As a result, the meeting of the "big six" in Rambouillet resembled a closed discussion of the more important economic problems and produced, in particular, a decision on limitation of the fluctuation in the exchange rates of the West's major currencies.

In May 1976, Washington proposed a "repetition of Rambouillet"--a new summit meeting of the main Western leaders. At the meeting in San Juan (Puerto Rico) at the end of June 1976, the practice of the joint discussion of the West's common problems was continued. The heads of state of the seven most highly developed capitalist countries in the world agreed during the course of the 2-day talks on a policy of "delayed" economic growth for the purpose of a general decrease in inflation rates and agreed to set up a new fund to deal with the deficit in the balance of payments of the developed capitalist nations. The participants in the San Juan meeting agreed to end the current round of multilateral trade negotiations, now going on in Geneva under the auspices of the GATT, by 1977. They also came to an agreement on a new meeting of the Western leaders, which is to be convened in London this June.

Important events occurred during the interval between Rambouillet and San Juan, which made centripetal tendencies more obvious. In the search for ways of regulating transatlantic relations, the United States promoted an agreement on currency regulation within the IMF framework. At a session of the IMF in Kingston in January 1976, a system of fluctuating currency rates was legalized under American pressure and the official price of gold and the requirement that transactions be carried out in gold were abolished. (We should remember that many "Europeanists," especially representatives from France, had previously demanded that gold play a larger part and had opposed Washington's reforms.) Gold was withdrawn from the currency system and its functions were taken over to a certain degree by so-called "special drawing rights."

The United States' desire to increase the role of "functional" agencies specializing in a specific sphere of transatlantic relations was reflected in the increase in the rights and functions and, consequently, the significance and resources, of the IMF, in which the United States controls 20 percent of the vote (15 percent is sufficient for a veto). The authority of the IMF was increased by assigning it the function of supervising the manipulation of currency rates, so that no one country could achieve supremacy.

The United States placed most of its hopes for the success of the "functional" approach on the development of a united Western position on the conference on international economic cooperation, convened in Paris in December 1975 (officially, the work of this conference is still being carried out by appointed committees). In a speech in June 1976 at the International Institute of Strategic Studies, the American secretary of state asked the Western countries to concentrate their efforts on internal consolidation and the elaboration of a common strategy in regard to the Third World. He indicated the following possibilities in this direction: Improvement of the OECD mechanism; coordination of the national programs of the Western nations (as, for example, the integrated fund of the Western nations for Africa suggested by President V. Giscard d'Estaing); preliminary consultations prior to important world conferences as, for example, the conference on international economic cooperation, multilateral trade negotiations,

special sessions of the UN General Assembly and world conferences on the food crisis, population control, environmental protection and housing construction. "We can achieve much more if we have a clear, agreed-upon goal,"<sup>25</sup> This is how H. Kissinger summed up the program of "long-range strategic development."

It should be noted, however, that the conflicts between the Western nations, concerning their separate policies in the developing nations of the world, turned out to be so intense that the United States' attempts at unification did not produce important results in this area. For example, at the UNCTAD session in Nairobi (May 1976), Western Europe did not agree with the American platform. And it was merely to demonstrate a "spirit of courtesy" that most of the Western European nations voted in favor of the resolution calling for a "study" of the American plan.<sup>26</sup>

Another aspect of the "functional" approach made itself apparent in the sphere of economic relations with the socialist world, in regard to which the United States called for "the coordination of our own policy to ensure the orderly and favorable evolution of relations between the East and West" and "an effort to set common goals and a common approach."<sup>27</sup>

As we can see, it was not a structural relationship, but the "spontaneously" convened forums which served the goals of the consolidation of the West's positions. This approach only became possible due to a certain weakening on the part of Western Europe. Its positive response permitted the modernized, "new Atlanticism" of the United States to take fairly stable form.

Washington's "Atlantic offensive" showed that the United States is seizing the initiative in the new round of conflicts between the imperialist powers. Having become less active in the Asian region after its forced "departure" from Indochina, the United States is displaying twice as much energy in European affairs. The global economic shifts, which caused great changes in the system of interrelations in the capitalist world, and Washington's assessment of the new situation served as the prerequisites for the modification of "Atlanticism." If a brief formula is possible here, then the present transformation of "Atlanticism" signifies expansion of its previously exclusively military bases and the transfer of cooperation to the economic sphere. Washington is trying to supplement the military-political alliance in the West with an economic-political alliance. For this reason, the United States is currently concentrating its efforts in the Atlantic region on the economic consolidation of the West.

The methods used by Washington to realize the "new Atlanticism" differ considerably from the formation of Atlantic structures in the past. In 1949, the procedure for the establishment of a bloc was simpler. The Western Europeans were presented with a picture of something called the "threat from the East," were shown an "antidote" in the form of a military alliance, and the centralized organization of NATO was established; it served the cause of "Atlanticism" quite effectively--by restraining separatist tendencies--as long as the belief in this "Eastern menace" was preserved. When this belief



began to erode and when the United States itself entered an era of negotiations and compromise, NATO, as the basis of "Atlanticism," ceased to serve as a restraining mechanism of the entire range of separatism (especially economic) and lost its necessary degree of reliability. It only became possible to construct a bloc of the developed capitalist nations when another common denominator was found, which, during the last third of our century, is represented by the need for economic development.

After a period of search, disorder and defeat, the United States discarded its previous method--the exertion of pressure through a military centralized system--in favor of the "functional" model: The use of common needs to construct the necessary organizational forms during the process of the satisfaction of these needs. In the past, rigid structures preceded concrete policy in "Atlanticism," and now Washington is trying to find new stable forms of Atlantic alliance during the course of the implementation of common policies (financial, energy and trade). Its tactic in this consolidation work is becoming the achievement of unanimous decisions on common problems and common programs.

The development and implementation of plans in the spirit of the "functional" approach constituted the central line of the Western policy of Secretary of State H. Kissinger during his last years as the head of the State Department. We could say that America's main moves were aimed at finding stimuli and preconditions for the convergence of the United States, the Western European countries and Japan. The finale in this sphere of the Republican Administration's policy was heard at the NATO session in December 1976, when H. Kissinger announced that a contribution to "the strengthening of the unity, viability and power of the people of the North Atlantic region,"<sup>28</sup> in his opinion, represents the "highest criterion" of the success of any secretary of state.

In connection with the "functional" approach, this session was noteworthy because of its particularly energetic moves toward the standardization of the weapons of the Western countries, which led, in particular, to a U.S.-FRG agreement on the standardization of the main parts of new military tanks. The search for joint solutions to economic problems as, for example, problems in the field of credit relations, was also continued.

The question of the place occupied by the "functional" approach in the policy of the Carter Administration is particularly interesting. Even before he was elected president, Carter demonstrated that he was an active supporter of the "trilateral" approach--the convergence of the three main capitalist "centers" through the resolution of common problems, or, in other words, the "functional" approach to transatlantic relations. While, prior to the presidential election, as FOREIGN AFFAIRS reports, "trilateral relations first represented only a formula--and a forum--for coordinating the economic policies of the developed nations with a market economy, they later began to mean much more--they meant 'a partnership between North America, Western Europe and Japan,' in the words of Governor Carter." The new

administration, the magazine goes on to say, will at least have to recognize the fact that, "in the United States, at least among the elite, trilateral relations have come to mean a coordinated position in foreign policy."<sup>29</sup>

The main unofficial promoter of this idea was the so-called Tripartite Committee formed in 1973--the nongovernmental organization headed by Z. Brzezinski. The future president Carter did not merely participate in the work of this committee, where his devotion to the merger of the Western nations first became apparent, but, as a committee report states, was also "an extremely active member."<sup>30</sup> He later spoke many times of the priority of American relations with Western Europe and Japan over other political projects. As the organ of the business community, THE WALL STREET JOURNAL, reported on 6 October 1976, Carter will be even more stubborn than Ford in his presidential capacity in coordinating the economic strategy of the Western countries in regard to one another, the poor countries and the "socialist East."

One of the dominant characteristics of the activity of the "Tripartite Committee" was the search for "functional" ties: Its first report (October 1973) concerned the creation of a single currency system; the reports of 1974 and 1975 were mainly concerned with the elaboration of a unified position for the West in its relations with the developing countries. According to a French magazine, "tripartite relations can be regarded as a new, revised, more skillfully prepared and more diplomatic variant of the United States' leading role in the 'free world.'"<sup>31</sup> In any case, the fact that the persons working together on the "Tripartite Committee" included present President J. Carter, businessmen of the stature of D. Rockefeller, experts such as Z. Brzezinski (appointed the President's national security advisor), and Vice-President W. Mondale, suggests that the methods of the "functional" approach, characteristic of the activity and ideological product of the "Tripartite Committee," will be developed even further on the level of official policy in the future. In this case, the private dispute between the "structuralists" and "functionalists" over American transatlantic policy will be settled, at least for the near future, in favor of the "functionalists." the advocates of the "common problems" approach to the unification of the West. This is also attested to by W. Mondale's tour of the Western European countries and Japan immediately after the inauguration, during which the American emissary insisted on the need for "functional" unity in the West, a common approach, consultations and the coordination of positions.

It must be stressed, however, that both tendencies--centrifugal, or tendencies toward separation, and centripetal, or tendencies toward unification--continue to manifest themselves in the development of relations between the major centers of the capitalist world. "There are," wrote V. I. Lenin, "two tendencies: One making the alliance of all imperialists inevitable and another setting some imperialists in opposition to others--two tendencies, neither of which has a solid basis."<sup>32</sup>

After the dramatic acceleration of centrifugal tendencies at the beginning of the 1970's, the centripetal trend had taken the fore by the middle of this decade. The increased self-awareness of the developing countries, their desire for economic independence and their united action against the three "centers of capitalism," in conjunction with the increased influence of world socialism and the consolidation of the positions of leftist forces in several capitalist nations, made the Western bourgeoisie fully aware of the danger of internal schism, which was threatening the further weakening of the general positions of capitalism as a whole. This caused the development of greater solidarity in the relations between the United States, Western Europe and Japan and the cultivation of a compromisory approach, particularly in foreign economic policy.

The abovementioned new events in transatlantic relations did not arise from the subjective desires of American diplomacy, but were made mandatory and were objectively caused by changes in the economic development of the capitalist world. Restrictions are imposed on the compromisory approach by the objective interests of the ruling circles in the major capitalist nations, which, by means of their emergence and development, deprive the Western world of a stable basis for economic development. The creation of "spheres of influence," the aggressive defense of branches with less competitive potential by national governments, the "tempting" aspects of separate agreements and various kinds of monopolies to use against competitors, and regional integration as a means of opposing a stronger partner through an alliance of the weaker partners--all of these are still part of the weaponry of the contemporary policies of the "centers" of imperialist rivalry and will make their way to the foreground during the new stage of the inevitable intensification of interimperialist conflicts.

#### FOOTNOTES

1. For a discussion of this, see SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 4, 1974, pp 28-38--Ed.
2. G. Mally, "The European Community in Perspective. The New Europe, the United States and the World," Lexington (Mass.), 1973, p 236.
3. C. Gasteyger, "Europe and America at the Crossroads," Paris, 1972, p 16.
4. THE DEPARTMENT OF STATE BULLETIN, 2 June 1975, p 706.
5. E. Goodman, "The Fate of the Atlantic Community," N.Y., 1975, p 8.
6. This is written about, in particular, by P. Trezise ("The Atlantic Connection. Prospects, Problems and Policies," Wash., 1975, p 100).
7. He said: "Our transatlantic alliance and our alliance with Japan make up the cornerstone of our foreign policy. Today these alliances mean

something more than a response to the threat of war; these alliances are instruments of social and economic cooperation" (THE DEPARTMENT OF STATE BULLETIN, 4 August 1975, p 150).

8. REVUE POLITIQUE ET PARLEMENTAIRE, May-June 1975, p 6.
9. For a more detailed discussion, see SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 11, 1975, pp 26-37.
10. PARIS-MATCH, 24 May 1976.
11. WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, 24 May 1976, p 905.
12. Ibid., 15 April 1975, p 359.
13. Strictly speaking, the American idea about the general fund was nothing new to Western Europe. As early as the fall of 1974, West German Chancellor H. Schmidt proposed that an international investment bank with multibillion assets be established; British Chancellor of the Exchequer D. Healey spoke at the same time in favor of the establishment of a fund of 30 billion dollars under the aegis of the IMF (FOREIGN AFFAIRS, January 1975, p 216).
14. THE DEPARTMENT OF STATE BULLETIN, 25 August 1975, p 265.
15. Ibid., p 266.
16. U.S. NEWS AND WORLD REPORT, 26 April 1976, p 66.
17. THE DEPARTMENT OF STATE BULLETIN, 23 June 1975, p 847.
18. Ibid., p 851.
19. Ibid., p 837.
20. Ibid., 30 June 1975, pp 888-889.
21. E. Goodman, Op. cit., pp 326-327.
22. Ibid., pp 396-397.
23. LE MONDE DIPLOMATIQUE, April 1976.
24. DEFENSE NATIONALE, June 1976, pp 16-19.
25. THE DEPARTMENT OF STATE BULLETIN, 26 July 1976, p 110.
26. For a more detailed discussion of the UNCTAD session in Nairobi, see SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 9, 1976, pp 72-73.

27. THE DEPARTMENT OF STATE BULLETIN, 26 July 1976, p 113.
28. THE NEW YORK TIMES, 11 December 1976.
29. FOREIGN AFFAIRS, October 1976, pp 2, 4.
30. TRIALOGUE, Spring 1976, p 10.
31. LE MONDE DIPLOMATIQUE, November 1976.
32. V. I. Lenin, "Poln. sobr. soch." [Complete Collected Works], vol 36, p 332.

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## BUDGETARY REFORM: ECONOMIC AND POLITICAL SIGNIFICANCE

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 4, Apr 77  
pp 24-37

[Article by Yu. V. Katasonov]

[Text] The process by which the American federal budget for the 1977 fiscal year, beginning on 1 October 1976, was considered and approved in Congress was marked by one important distinction: For the first time, this process occurred in accordance with the new procedures established in the Congressional Budget and Impounding Control Act of 1974.<sup>1</sup> The beginning of the realization of this act represents the conclusion of one of the most extensive reforms of the budgetary process in the nation's entire history, a reform with particularly profound effects on its most conservative element--the legislative.

Representing a considerable step in the development of the budget and finance mechanism and the entire system of state-monopolistic regulation in the United States, the reform can be seen as American capitalism's reaction to the intensification of its economic and sociopolitical contradictions, particularly during the 1970's. These include the inflation and rise in prices, which have been unprecedented in terms of their rates and duration, the growing chronic deficit in the federal budget, which has become the basis of the crisis in American finances, and the ineffectiveness of government activities in many areas of social problems; the economic crisis of 1973-1975 served as a powerful spur to accelerated reform. "Why are we beginning the introduction of this process now?" asked one of the initiators of the reform, Senator E. Muskie. "Because we need to formulate a program of economic recovery that can help the United States climb out of the worst recession it has experienced during the life of the present generation."<sup>2</sup>

In addition to being affected by the fundamental antagonism in the capitalist structure, the resolution of urgent socioeconomic problems was also being impeded by the fact that the government's political institutions, which should have been the ones to take responsibility for this, were also experiencing a profound crisis; and the essence of this crisis consisted in their obvious inability to deal with these problems. One of the manifestations of this

crisis was the intensification of conflict between the legislative and executive branches in regard to their prerogatives. This struggle was particularly complicated by the fact that, during the years of the Republican Administration (1969-1976), the President and the congressional majority had represented different, competing parties. The attempts made by Congress to restore the positions it had lost during the last decade produced few results and graphically revealed the weakness of its internal structure, even in comparison to the structure of the administration, which was also not distinguished by a high level of efficiency. This lack of balance became particularly apparent in matters concerning the budget, since it is precisely in this area that the rights granted to Congress represent its major means of influencing policy. For this reason, as P. Hart, a senator at that time, wrote in 1973, "the need for budget reform has probably become the most urgent problem facing Congress. If, because it has done nothing about reform, Congress...loses its ability to set national priorities...it will actually become nothing more than an instrument for ceremony, speeches and the periodical ratification of presidential decisions."<sup>3</sup> The reform, according to the plans of its initiators, was to considerably reconstruct and reenforce the mechanism of budget and financial policy and to provide the legal and organizational conditions for the resolution of urgent problems in this area. It was supposed to strengthen the political position of Congress and to restore the disrupted "balance of forces" between the two elements of government in one of the most important spheres of its activity.

#### The Crisis in the 1921 System

What was the American budgetary system like prior to the present reform and which of its defects was the reform supposed to correct? The system was based on the Budget and Accounting Act of 1921. A single federal budget system was then set up for the first time, but only within the framework of the executive branch. The act established the need for a single federal budget and made the president responsible for its compilation. (Prior to this, each executive department had made its own request for appropriations and Congress approved each request separately, without any kind of over-all coordination.) A special standing agency--the Bureau of the Budget--was set up to aid the president in carrying out budget functions.<sup>4</sup> As an important step in the centralization of federal budget procedures, the reform of 1921 made serious changes in the role played by Congress and the administration in these procedures.

On the basis of the authority and greater staff provided for by the act, the president occupied a dominant position in the work of compiling the budget and carrying out financial policy as a whole. Several subsequent reforms strengthened his position even more. Congress was actually excluded from budget procedures, receiving only the final product in the form of the "presidential budget" as well as those materials the executive departments saw fit to offer it to substantiate their own requests. Although it officially retained its constitutional rights in budget matters (above all,

the legislative approval of appropriations and control over spending), Congress gradually lost more and more of its actual influence on budget and financial policy.

Even when Congress made isolated changes in the budget, the administration frequently ignored them. For example, if Congress allocated additional appropriations for certain programs against the wishes of the executive branch, the administration would decline to make these expenditures, resorting to "moratoriums on spending" and justifying this by the need for economy, the containment of inflation, etc. In one way or another, the administration almost always found opportunities to carry out its own budget policy and to set its own priorities. The role of Congress became increasingly passive and obviously secondary.

With all of these defects in the budget mechanism of the executive branch, budgetary procedures in Congress were distinguished by extreme chaos. The major weakness of these procedures consisted in the fact that they did not provide for examination of the budget as a whole. The "presidential budget" annually submitted to Congress was not studied as a single document in either chamber or even in their committees on appropriations. It was divided up into 13 parts (according to the number of bills on appropriations) and each was sent to the appropriate subcommittee of the appropriations committees of the House of Representatives and the Senate. These subcommittees played the decisive role during this stage of congressional examination of the budget. The approval of their bills, first by the appropriations committees and then by the chambers, essentially turned into an official act.

The process of making appropriations was extremely poorly coordinated with other aspects of the financial and economic activities of Congress--the approval of various programs, the tax policy, etc. Officially, Congress never considered the effect of their own legislative acts approved outside the framework of budget procedures on the size of federal expenditures. Little attention was paid to the effect that programs would have on the size and structure of the budget in coming years. As a result, the budget became more "uncontrolled." In other words, during the course of its annual examination of the budget, Congress allocated larger and larger amounts almost automatically, since the need for these expenditures had already been established in previously approved laws on new programs. In view of the fact that these laws were not coordinated in the appropriate manner with budget policy, the increase in "uncontrolled" expenditures systematically exceeded the total increase in the budget. For example, "uncontrolled" expenditures rose from 100 billion dollars and 67 percent of the budget for the 1967 fiscal year to 202 billion dollars and 75 percent of the 1974 budget. This considerably limited the possibilities of Congress (and the administration) to maneuver budget funds.

Here it must be pointed out, however, that the question of increased control over budget expenditures is being used by ruling circles in the United States primarily for the revision and cancellation of social programs. A



mechanism is to be created, which will allow Congress to cut these programs at any time on the basis of financial considerations. At the same time, nothing is being said about the genuinely important causes of this increase in "uncontrolled" budget expenditures--the large and growing defense expenditures, the constant invention of new benefits for the monopolies, the instability of the economy and the social consequences of its functioning, which require increasing financial intervention and participation by the government.

Serious problems have arisen from the absence of a mechanism in Congress for coordinating policy in the area of expenditures and revenues. For example, bills on appropriations and taxes have traditionally been drawn up by different committees and approved by Congress separately. This was largely responsible for the situation in which the increase in expenditures exceeded the increase in revenues for many years and there was constantly a deficit in the federal budget. And while this kind of "deficit financing" did not worry the ruling circles during the 1960's and was even encouraged as a means of economic stimulation, the galloping inflation, rising prices and unprecedented increase in the national debt during the 1970's has made the chronic deficit in the budget one of the problems in which Congress is taking the greatest interest.

American bourgeois specialists have explained this tendency toward the reduction of Congress' role in the field of budget policy in various ways. During this process of explanation, however, they have generally concentrated on secondary aspects or, at best, have confused unimportant factors with important ones. Some of them felt, for example, that one of the reasons for this could be found in the inadequacy of the information provided to Congress in comparison to the amount provided to the administration; Congress, as one study pointed out, "now depends to a painful degree on executive agencies, especially the Office of Management and Budget (OMB), for information on programs and finances." It is true that Congress was not being supplied with adequate information, but this was only the result of other, more fundamental factors. Those who pointed out the excessive "pluralism" in the legislative branch of the United States--the distribution of authority among individual components in the absence of a strong enough controlling link on the congressional level--were closer to the truth. The desire of both chambers and many committees in each chamber to retain their prerogatives and status quo in those areas controlled by them was an important obstacle to any kind of change in the past, particularly any improvements in information services.

But the bourgeois specialists did not see or did not wish to see the main thing--the fact that some features of Congress, which appeared on the surface to be its "institutional" peculiarities, were actually only a manifestation of the contradictions in the socioeconomic and political nature of capitalism.

Some American authors admitted that the change in the relationship between the executive and legislative branches was, on the whole, a natural tendency. And it is true that this tendency is characteristic of other capitalist nations as well as the United States. The bourgeois experts, however, give it

a primarily "technological" interpretation. They point out the complex nature of contemporary social processes and, in connection with this, recognize the need for solving some problems in a more centralized, comprehensive and systematic manner. In their opinion, the executive branch with its ramified and specialized structure is more capable of doing this than Congress with its awkward and "pluralistic" structure. But the bourgeois specialists ignore the social essence of centralized authority under the conditions of state-monopolistic capitalism. This kind of centralization, in the first place, signifies a further increase in the power of the largest monopolies. In the second place, because it is not capable of solving some problems in their entirety, it makes other problems more acute and gives rise to new ones. This, strictly speaking, is the essence of the contradictions involved in the centralization of budget procedures in the executive branch, which has been going on in the United States for more than 50 years--contradictions whose development has led to the present reform. But all of these natural tendencies, as we will demonstrate below, will be retained even if attempts are made to centralize budget procedures in the legislative branch (and this kind of centralization is the purpose of the reform), since the social nature of the U.S. federal budget will remain unchanged.

#### The Goals and Content of the New Reform

The Budget Act of 1974 was supposed to establish a legal basis for the creation of a mechanism capable of providing Congress with a more active and efficient role in the resolution of the following major problems: The development of a balanced budget and financial policy, including the determination of the sizes of expenditures, revenues, the budget deficit and the national debt; the setting of "national priorities," that is, the distribution of budget funds in accordance with the major long-range goals of the nation (including the formulation of these goals); increased control over the administration's budget activities.

The development and implementation of the reform had the objective of increasing Congress' possibilities in the following ways:

Making it more capable to examine the budget comprehensively; improving the coordination of decisions made by Congress in various areas of budget and financial policy, as well as the coordination of all legislative activity with this policy;

Making the distribution of appropriations more efficient by using a functional budget structure, which had only been used by the executive branch prior to this;<sup>5</sup>

Improving the quality of information used in the examination of the budget; paying greater attention to the long-term effects of budget decisions and all legislative acts on the scales and structure of future government expenditures, as well as other aspects of financial policy and the economy;

Making budget procedures more specific in terms of time and coordinating the fulfillment of all functions by congressional agencies participating in these procedures;

Ensuring more systematic and efficient control over the administration's actions in regard to the "freezing" of funds allocated by Congress.

The main practical measure envisaged by the act of 1974 was the introduction of new procedures for the congressional examination and approval of the budget, centering around the process of decision-making on the budget as a whole. These decisions have now taken the form of two new documents, annually approved by the chambers--joint resolutions on the budget.

The first is the draft of the budget approved by Congress. It must be approved no later than 15 May of the year in which the fiscal year covered by this budget begins. It sets control figures (minimum and maximum) for such major budget indicators as receipts, budget powers, outlays, the deficit and the national debt and specifies the distribution of budget powers and expenditures by functional categories.<sup>6</sup> This resolution serves as a guide to all congressional agencies connected with the compilation of the budget and a point of reference for those drawing up bills on appropriations, revenues, etc.

The second resolution is the budget as a whole, approved by Congress. It is approved by Congress after the committees have completed the preparation of bills on appropriations, revenues and so forth, but no later than 15 September. Its purpose is to "confirm or correct" the first resolution. The second resolution is of a strictly directive nature, obligating all congressional agencies to act in complete accordance with its premises. The content of all bills on appropriations and taxes must, in the final analysis, correspond to the positions of the second resolution. In accordance with the act, Congress cannot end a session until this correspondence has been achieved. (We should mention here that this premise, just as some others, was not observed during the first, experimental testing of this new mechanism in 1975.)

Examination of the budget as a single entity was also the objective of another group of measures--organizational measures. In accordance with the act, budget committees were set up in both chambers to prepare recommendations, primarily the drafts of the two joint resolutions. These committees were granted extensive rights: They could demand that all other congressional committees provide them with the necessary data, they could oversee their activity from the standpoint of its correspondence to the joint resolutions, etc. As a result, the budget committees immediately occupied the key positions in congressional budget procedures, undermining the monopolistic position of the "old" committees.

These positions were substantially reinforced by the fact that the budget committees actually had jurisdiction over another new organ--the Congressional Budget Office (CBO). This analytical and operational organ plays

approximately the same role in Congress as the OMB plays in the executive branch. Its basic purpose is to supply Congress, especially the budget committees, with factual and analytical information on financial and economic matters, particularly alternative decisions on the budget. The creation of the CBO significantly increased Congress' possibility of acquiring information without depending on the executive branch. The fact that this office concentrates on the analysis of general budget matters makes it a strong basis of support for the budget committees in their complex interrelations and conflicts with other congressional committees.

The reform also affected another link of the budget mechanism. The preparation of joint resolutions required the participation of many agencies in Congress and the executive branch. One of the new developments was the administration's obligation to submit, prior to 10 November, drafts of the budget for the following fiscal year (beginning on 1 October), "on the current level of activity," that is, without the need for any kind of change in policy and legislation. This means that Congress' advanced familiarization with this "basic" document will permit it to later, after the official "budget of the president" has been submitted (in January of the following year), concentrate on executive proposals requiring changes in legislation. The assessment of the budget "on the current level of activity" is the responsibility of the Joint Economic Committee of Congress, which must present its conclusions on this draft to the budget committees before 31 December.

Besides this, due to the need for preparing the draft of the first joint resolution, all other congressional committees are obligated to submit their opinions and ideas to the budget committees no later than 15 March. On the basis of this information, the report of the CBO (which must be prepared prior to 1 April) and other data, the budget committees draw up drafts of the first joint resolution, which are sent to their chambers by 15 August, that is, a month before they have to be approved.

The Act of 1974 made certain changes in the prerogatives and functions of the "old" committees. It prohibited the examination of any bills involving changes in the budget prior to the adoption of the first joint resolution. During the process of their work on certain bills, the "old" committees are now under the supervision of the budget committees, and, in actuality, the CBO as well, and must provide them with information for congressional reports on the correspondence of their actions to the first joint resolution. After the adoption of the second joint resolution, all committees are obligated to make the necessary corrections in bills to make them correspond completely to the resolution within 10 days (from 15 through 25 September).

Although the Act of 1974 signified a definite advance in the development of the congressional budget mechanism, its content already reflects the limited and inconsistent nature of the reform. One of the major defects of the new mechanism is its emphasis on a 1-year budget, which was characteristic of the old procedure as well. The fact that the federal budget should be

based on plans for many years in advance has been widely recognized for a long time. Without this, it would be impossible to ensure the efficient attainment of long-range "national" objectives or to solve the problem of "uncontrolled" expenditures.

The executive branch has been trying for more than 10 years to develop budget policy for many years in advance. Many proposals have been made in regard to this kind of budget planning in Congress as well. But the new act only envisages extremely limited steps in this direction. For example, the administration is now required to submit plans of expenditures for the next 5 years, divided into functional categories (such plans are already being submitted to the administration), at the time when the current budget is being submitted. In Congress, the committees drawing up bills on appropriations must provide 5-year estimates on the financing of the appropriate programs, while committees on revenues are required to provide 5-year estimates of "tax expenditures."<sup>7</sup> The CBO compiles 5-year estimates of the expenditures connected with the implementation of all bills prepared by congressional committees and, at the beginning of each fiscal year, is required to submit a summary report on expenditures, taxes, budget deficits and "tax expenditures" for the next 5 years. All of these projections are limited because they are not budget plans, since they are not approved by Congress and are only intended to be used for purely informational purposes. For this reason, the Brookings Institution is correct in asking "whether this entire group of reports will affect the process of budget decision-making and whether, in general, information not involved in the process of decision-making can actually ensure more efficient planning for the future."<sup>8</sup>

An important place in the act is occupied by questions connected with the increase in congressional control over budget fulfillment. The cases in which the president can use funds in order to set up "reserves" or "freeze" funds are fairly strictly limited, and he is obligated to inform Congress in advance of all such cases. If Congress does not agree with the moratorium and makes the appropriate decision in regard to this matter, the funds must be used according to their designation. American specialists have pointed out, however, that the act is not likely to make any significant changes in present practices in the "freezing" of funds. If the administration should wish to delay the implementation of a specific program supported by Congress, it can take advantage of certain loopholes in the act (it specifies, for example, the right to reserve funds "for the purpose of a savings...., which has become possible due to a change in demand"). Even if Congress should be able to impede delays in the implementation of certain programs, however, this will not be done so much by means of official acts as by means of undercover pressure and compromises with the administration, just as in the past.

The changes in the budget procedures have required a change in dates marking the beginning and end of the fiscal year. Instead of the period from 1 July through 30 June, as in the past, the period from 1 October through 30 September has been set. On the whole, the duration of congressional budget procedures (including the examination of the budget "on the current level of

activity") has almost doubled. A "transitional budget" was used from 1 July through 30 September 1976 for making the transfer to the new dates.

The act establishes that the new procedures must be introduced at the beginning of the budget cycle of the 1977 fiscal year. Some of its elements, however, could be introduced even earlier. Expecting difficulties, the Congressional leaders decided to test the major elements of the new mechanism during the budget cycle of the 1976 fiscal year. The budget of the 1977 fiscal year was examined and approved with the complete use of this mechanism.

#### Declarations and Practices

The complexity and contradictory nature of the budget reform became quite clear during the first experiment in the practical use of the new mechanism. On the one hand, judging by the official results of the first 2 years ("experimental" and "operational"), the budget reform would seem to have passed its first tests. Its supporters felt that the main achievement connected with the reform was the introduction of such measures as the adoption of joint resolutions by Congress, determining the major budget indicators. For example, E. Muskie, chairman of the Senate Budget Committee, called this measure a "historic leap forward." Since the figures recorded in the resolutions differ somewhat from the president's recommendations, some people were inclined to believe that Congress had been able to work out its own budget policy.

Nonetheless, a more careful examination of the 2 years of experience paints a completely different picture. First of all, the differences between the figures suggested by the administration and the figures approved by Congress are not as great as they might seem at first glance. For example, the budget indicators for the 1976 fiscal year, approved by the second joint resolution, are considerably higher than those in the original variant of the "presidential budget," submitted in January 1975: expenditures are 25.5 billion dollars higher (a rise of 7.1 percent) and the deficit is 22.2 billion higher (42.8 percent). If we consider, however, the fact that the administration later reduced its own figures, it becomes apparent that the difference between the positions occupied by the executive and legislative branches is even smaller: 8.4 billion (2.2 percent) for expenditures and 5.6 billion (7.6 percent) for the deficit.

More substantial differences of opinion between the administration and Congress were revealed during the examination of the budget for the 1977 fiscal year. This was due to the continuing economic difficulties and the intensification of the internal political, inter-party struggle of the election campaign. The Joint Economic Committee, having examined the budget "on the current level of activity," came to the conclusion that President G. Ford's announced intention to hold expenditures down to 395 billion dollars "could deal a severe blow to economic recovery." Senator H. Humphrey, Democratic chairman of the committee, called this plan a "disaster." The committee felt that, if the previous political course was to be maintained, expenditures should amount to 420.3 billion dollars. Later, in the "presidential budget" submitted in January 1976, the intention of

the executive branch took official form: Expenditures of 394.2 billion dollars were recommended, with a deficit of 43 billion (these figures were later increased to 395.8 billion and 44.6 billion respectively). In its first resolution, however, Congress set expenditures at 413.3 billion and the deficit at 50.8 billion, while the figures in the second resolution were expenditures of 413.1 billion and a deficit of 50.6 billion. Therefore, the difference between the president's recommendations and Congress' decisions was 17.3 billion (4.4 percent) in the case of expenditures and 6.0 billion (13.5 percent) in the case of the deficit. This reflected certain differences in the approaches taken to matters of financial and economic policy, characteristic of the Republican Administration of that time and of Congress, where the Democratic Party held the majority.

But, in the first place, these differences were nothing new; they had existed prior to this as well--prior to the reform and independent of it. In the second place, as changes during the course of the examination of the 1976 and 1977 budgets show, the positions of the executive and legislative branches gradually converged on the basis of compromise. In the third place, the mere fact that Congress approved budget indicators different from those recommended by the administration is not enough to signify that these indicators reflect some kind of more efficient and internally coherent budget policy. The fierce struggle in Congress during the preparation and approval of the joint resolutions during the course of both budget cycles and some American evaluations of the decisions made by Congress during this period do not attest to this.

Although both joint resolutions on the budget for the 1976 fiscal year were passed by a fairly solid majority in the Senate, they barely passed at all in the House of Representatives (the first by a majority of four votes and the second by a majority of only two). One of the consequences of this prolonged battle was a serious violation of the new schedule for the budget procedures at a key moment: The second joint resolution was not adopted until 12 December, that is, almost 3 months late. Congress was not able to come to any decision on the indicators of the budget for the transitional period (from 1 July through 30 September 1976). For this reason, the second joint resolution only contains control figures for that budget, while the setting of absolute figures was postponed indefinitely.

Many American evaluations of the results of this test of the new budget mechanism contradict one another. Republican Senator H. Bellmon announced for example, that "the new budget procedures are of vital significance" and that the activities of the Senate Budget Committee "laid a basis for the committee in future years." At the same time, Democratic Congressman J. O'Hara categorically stated that "the new system was quite close to failure during the course of its first test." After the adoption of the first joint resolution, he announced that it "does not represent anyone's views and no one feels obligated to support it."

It would seem that these negative assessments are not so far from the truth. For example, at the time when the second joint resolution was adopted, three bills on appropriations had still not been approved by Congress. For this reason, the expenditure "ceiling" set in the second resolution was not a genuinely firm directive or basis for determining the level of appropriations in different areas, as specified in the 1974 act. (Two bills on appropriations for the 1976 fiscal year remained unapproved even 6 months after the beginning of that year.) Moreover, the premises of the second joint resolution immediately began to be violated. In December 1975, Congress passed a bill on the extension of a loan to the City of New York in the amount of 2.3 billion dollars, which was not envisaged in the budget and which exceeded the expenditure limits set in the second resolution. Such cases require subsequent changes in the resolution itself. Therefore, the results of the "experimental year" have already revealed substantial weaknesses in the new budget mechanism, which are connected with its practical use.

Later, after the first cycle of the complete utilization of the new mechanism had began, several congressmen again expressed the hope that it would be efficient. Other congressmen, however, were more cautious in their forecasts. These included Chairman of the House Budget Committee B. Adams, who is Carter's secretary of transportation. His doubts were based, in particular, on the fact that the second joint resolution, adopted during the preceding cycle, was more a reflection of individual bills than an act establishing a certain budget policy.

From the standpoint of the observance of schedules, the budget cycle of the 1977 fiscal year was much more smoother on the whole than the preceding cycle. Even during this cycle, however, difficulties threatening the rhythm of budget procedures arose several times. One of the first difficulties was connected with the report of the CBO. Its first variant was called completely unsatisfactory by the budget committees and was returned for revision. The major shortcoming of the report consisted in the complete absence of substantiation in favor of the choice of the specific variants of programs and the budget that were proposed in the report.

The preparation of reports by congressional committees on plans for expenditures turned out to be a complex matter. For example, the Senate Armed Services Committee could not decide for a long time whether the appropriate data should be submitted to the budget committees at all. The Senate Finance Committee, in charge of revenues, spent several days discussing the kind of decision it should make in order to satisfy the requirements of the new mechanism. "The members of the finance committee," wrote the NATIONAL JOURNAL, "spent as much time on the discussion of the new budget procedures as on the discussion of the actual budget." Chairman Russell B. Long of this committee said: "We still cannot agree on what these procedures represent in general and we would never be able to make a single decision."<sup>9</sup>

For this reason, although both joint resolutions of the budget cycle of 1977 were adopted on schedule and by a more convincing majority than during the preceding cycle, they still did not display any signs of a sufficiently precise and unified budget policy.



## Inevitable Palliatives and New Contradictions

The extremely contradictory attitude toward this reform demonstrated by political groups and individuals in the United States, which was apparent from the very beginning, still exists, even after the testing of this reform in practice. On one side there are optimistic voices saying that "a new revolutionary budget system" has been created; on the other side are other voices that are just as confident, predicting its speedy failure. These contradictory and categorical opinions can be largely explained by the general intensity of the internal political struggle in the United States due to critical developments in many spheres of the economy and politics. But, to a certain degree, these opinions also reflect the difference between the criteria on which they are based.

It is true that, if we compare the new congressional budget procedures with the old ones, we can probably agree to some degree with the CONGRESSIONAL QUARTERLY WEEKLY REPORT, which called the reform "the first serious attempt in decades to coordinate federal expenditures and taxes--the focal point of all the activities of the U.S. Federal Government." But here it must be pointed out that references can still only be made to an attempt--and nothing more. Senator Muskie's explanation of the "natural" character of the difficulties is also sound, since this is "an attempt to force new procedures onto an institution with a 200-year history, which has given rise to considerable inertia and firm traditions." In essence, however, assessments such as these, having the goal of justifying the weak and limited nature of the reform, only touch upon specific details.

The position taken by the reform's critics seems more convincing, since they sometimes point out--consciously or unconsciously--the organic, insurmountable shortcomings of the new procedures. "The new budget procedures," says, for example, Congresswoman E. Holtzman, "is more a mathematical exercise in calculating the requests of the president and the appropriations committees than an effort by Congress to set national priorities." This kind of criticism signifies conscious or unconscious recognition of the main defect in the new system--the fact that it is essentially incapable of ensuring that the job for which it was created will be carried out--the development of an internally unified and efficient budget policy. Here it should be stressed that even the most "determined" bourgeois critics of the reform will, naturally, never have enough courage to name the fundamental cause of its palliative nature, which consists in the social nature of capitalism and its budget and financial system. The most that they are capable of doing is to again point out the great difficulty and even the impossibility of creating any kind of efficient budget mechanism within the framework of Congress' "institutional pluralism." As political correspondent D. Smith wrote, many officials in Washington assume that "the system will collapse under the weight of the internal struggle for power and political deals in Congress." Although this has not occurred as yet, they warn that it still contains the weaknesses that might destroy it in the future. The most serious of these is the "reluctance of ideological and political groups in Congress to recognize the rules of budget control, which infringe upon their own objectives."

On the basis of such appraisals, Smith draws the interesting conclusion: "The worst enemy of the budget mechanism...may be Congress itself."

Without alleviating previous conflicts in Congress, the reform intensified them and gave rise to new ones. One important sphere of new conflicts was the relationship between the budget committees and the old committees. This graphically demonstrated the battle for prerogatives in the budget procedures. J. McClellan, chairman of the Senate Committee on Appropriations, said, for example, that the budget committee was invading his sphere of authority and that the new procedures were only making things more confusing. The Armed Services Committee accused the CBO of the same kind of "invasion" of its territory, while Senator S. Thurmond criticized this office for its "lack of objectivity" and "antidefense feelings." One American newsman saw the reason for this kind of fight in the fact that the extremely influential chairman of the armed services and appropriations committees of both chambers, who had previously pushed the bills recommended by their committees through Congress without any kind of interference, are now "forced to bow their heads to the power of the budget committee chairmen."<sup>10</sup> These are strong words, but there is no doubt that the heads of the old committees now have to take the views of the budget committees into consideration.

The reform introduced new nuances into the relations between Congress and the executive branch, actually opening another channel for confrontation. Congress now has at its disposal, for example, an important means of pressuring the administration--the right to demand much more budget information from it than before. But the administration, having the advantage in this area--and this will unconditionally still be the case in the future as well, intends to use this, with consideration for Congress' growing demands for information, to strengthen its own position in the budget system. Here the Department of Defense is in a particularly privileged position; in this department, an extremely developed system of multiyear budget planning has been in force for a long time: Planning-Programming-Budgeting (PPB). "According to the new budget procedures," said a high-level Pentagon official, "Congress...in making decisions on expenditures for programs, will have to deal with serious difficulties. Due to the fact that the Department of Defense has the PPB system and a 'five-year defense program' worked out with the aid of this system, it will, in all probability, will be better prepared to assist Congress in overcoming these difficulties.... The budget drafts of the Department of Defense are expected to be drawn up on the basis of the 'five-year defense program.'"<sup>11</sup> This program was also used extensively by the Pentagon prior to this in order to push the defense budget through Congress. And now, the Pentagon's stock of information, which is much better than that of other departments, will make it even more possible to fight for a piece of the "budget pie."

The attitude of the previous, Republican Administration to the reform was, on the whole, a dual one. On the one hand, the administration seemed to be quite interested in it prior to the time when it was introduced, expecting to use it to give Congress part of its own responsibility for the difficulties

being experienced by the nation. On the other, after the reform had already been introduced, the executive branch wanted the changes to be limited to form, while the content would remain the same. "While publicly supporting Congress' attempts to institute control over federal expenditures by means of its own new budget procedures," wrote the CONGRESSIONAL QUARTERLY WEEKLY REPORT, "the strategists in the White House feel that this mechanism is doomed to failure and will leave the responsibility for government policy on expenditures where it always was--in the hands of the president."<sup>12</sup>

The conflicts arising in connection with the reform, both within Congress and in its relationship with the executive branch, represent a manifestation of the complexity of the real problems being encountered by these branches in the budget process, problems which they are not capable of solving, even with the reform. The critical nature of the nation's problems is the basic obstacle to the efficient functioning of the new mechanism. "The most threatening problem encountered by the new budget procedures in 1975, which nearly torpedoed them," said the abovementioned D. Smith, "was the state of the economy. Congress had to vote in favor of a budget deficit when the nation was suffering a severe recession."<sup>13</sup>

How are various political groups actually reacting to the difficulties and conflicts arising from the reform? Some of them--those who feel that the reform as a whole is being carried out normally--are asking that attention be focused on organizational and technical matters, on "perfecting" the details of the new structure.

Others are waiting to see what happens before they pronounce their final opinion, believing that it would be expedient to wait a few years "to be sure that the new system works."

Many congressmen have expressed an extremely negative attitude, demanding that the 1974 act be immediately repealed or, at least, changed considerably. This proposal was advanced, for example, by congressmen O'Hara and C. Wilson. Although the latter recently voted in favor of passing the act, he has taken up arms against the budget committees, which are allegedly "omnipotent."

Finally, there is a group of individuals whose position in regard to the reform probably reflects the main thing in the present approach of the ruling circles in the United States to the development of the structure of government control and the state-monopolistic mechanism in general. This was quite clearly expressed by M. Meredith, researcher on the staff of the House Budget Committee: "At present, the question is probably not one of whether the given system works, but one of what system will work. Because Congress must carry out its duties." In other words, while recognizing all of the limitations of the reform, any discussion of its results should not be conducted from the standpoint of its necessity (this question, in Meredith's opinion, has been irrevocably settled by reality) or the standpoint of its maximum efficiency, but from a pragmatic standpoint--Are there more acceptable alternatives? And this is where it becomes clear that there is actually

no possibility of creating any kind of genuinely effective budget mechanism: After all, in any variant, it must ensure "budget procedures which can be used by an institution in which authority is divided due to the peculiarities of its very structure." The final conclusion is obvious: In view of the fact that the budget system must be changed and that any reform will be a palliative, the shortcomings and weaknesses of the new system are inevitable and must be accepted.

A characteristic feature of the discussions about the results of the reform is the desire of some groups in American ruling circles to regard it as a step in the further development of a centralized mechanism of government control and state-monopolistic regulation. For example, the draft of the "Full Employment and Balanced Growth Bill" (the Humphrey-Hawkins Bill), submitted to Congress in 1976, proposes that the procedures for preparing and adopting the joint resolutions on the budget be made the chief instrument for formulating the nation's economic goals, which should serve as a basis for a "nationwide" economic plan (this refers to an indicative "plan for guaranteeing full employment and balanced growth"). Senator Humphrey points out that the concentration of Congress' attention (as specified by the reform) on the discussion of only such matters as, for example, the size of the deficit, without examination of the goals of economic policy, is inadequate, since the deficit is only an instrument of economic policy. The same bill proposes that Congress adopt, in addition to the joint resolutions on the budget, joint resolutions on the "plan for guaranteeing full employment and balanced growth" on the basis of similar procedures.

An examination of the budget reform and the first results of its use permits us to conclude that it does not represent a spontaneous phenomenon, but a natural link in the development of state-monopolistic regulation in the United States and a result of the intensified crisis of American capitalism. From the very beginning, the reform had the nature of a palliative. Its limited and contradictory nature, arising from the nature of capitalism, were graphically and precisely revealed during the very first time the new budget mechanism was used in practice. Although it has improved the coordination of some aspects of the government's budget and finance activities to some degree, it has not been able to ensure the development of a genuinely all-encompassing and internally unified budget policy. In providing a partial solution to some problems, the reform has intensified others and given rise to new ones. Nonetheless, there would seem to be no doubt that, in spite of this, American ruling circles will be forced to take further steps toward the further development of budget control and economic regulation, since the natural laws governing state-monopolistic capitalism will constantly push them toward this.

We can expect that the resolution of these problems will also occupy an important place in the activities of the Carter Administration. And the new administration will have to deal with this primarily because the financial, economic and social problems in the nation are not becoming any less acute. We also cannot give much credit to the fact that the president and the

congressional majority now represent one party--the Democratic Party, which has traditionally devoted primary attention to economic regulation by the government. Even during his campaign, Carter advanced a plan for the restructuring of the executive mechanism, including its budget elements. This reorganization has the purpose of making government activities and programs more effective and balancing the budget. As Carter has admitted, however, the main conditions for the recovery of government finances consist in the elimination of unemployment and the guarantee of stable economic growth rates. And this task is much more complex and, as history has shown, cannot be solved in the capitalist society.

#### FOOTNOTES

1. This document was passed by Congress in June and signed by the President on 12 July 1974. Hereafter in the article it will also be called the Budget Act or Act of 1974. The main American documents used in the writing of the article were the following: "The Budget of the United States for Fiscal Year 1976"; "The Budget of the United States for Fiscal Year 1977"; "National Priorities and the Budgetary Process. Hearings Before the Subcommittee on Priorities and Economy and Government of the Joint Economic Committee. Congress of the United States. 1974"; "Congressional Budget Control and National Priorities Act of 1973. Report of the Committee on Government Operations. U.S. Senate. 1974"; "Congressional Record," 1974-1976; "Information Support Program Budgeting and the Congress," Spartan Books, 1968; "Setting National Priorities. 1975 Budget"; "Setting National Priorities. The 1976 Budget"; "Setting National Priorities. The Next Ten Years," Washington, 1976.
2. CONGRESSIONAL DIGEST, March 1976, p 75.
3. THE ANNALS OF THE AMERICAN ACADEMY, July 1973, p 100.
4. This was originally part of the Department of the Treasury, but was made part of the Executive Agencies of the President when this structure was created in 1939. In 1970, the Budget Bureau was made the Office of Management and Budget (OMB) in 1970.--See A. I. Deykin's report in issue No 3 of the magazine for 1973.
5. The functional structure is one in which budget data are classified according to the main objectives of financing. The federal budget is examined on the basis of 16 functional categories: national defense; international affairs; general problems in science, space research and engineering; natural resources, the environment and energy; agriculture; trade and transportation; local and regional development; education, labor training, employment and social services; public health; revenue guarantees; payments and benefits to veterans; legal and police services; civil service; revenue sharing with states and financial aid for general purposes; interest on national debt; additional payments.

6. Budget authorizations represent legal permission to take on financial obligations. They generally take the form of one-time appropriations and grants for the payment of these allocations. Obligatory payments are actually called expenditures.
7. Losses in budget revenues connected with tax benefits.
8. "Setting National Priorities. The 1976 Budget," p 230.
9. NATIONAL JOURNAL, 6 March 1976, p 246.
10. DEFENSE SPACE DAILY, 13 November 1975, p 71.
11. DEFENSE MANAGEMENT JOURNAL, January 1975, p 30.
12. CONGRESSIONAL QUARTERLY WEEKLY REPORT, 28 June 1975, p 1331.
13. Ibid., 27 December 1975, p 2865.

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## ZIONISM AS A FORM OF RACISM AND RACIAL DISCRIMINATION

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[Article by Yu. A. Andreyev]

[Text] Zionist groups have been more active in the United States in recent years. To a significant extent, this has been due to the fact that the policies and practices of Zionism have suffered several serious defeats. The overt anticommunism and anti-Sovietism of the Zionists are losing ground in the United States and the other capitalist countries. Israel's policy of aggression and expansion in the Middle East is failing. Large groups of the American public are energetically opposing the pro-Israeli emphasis in the Middle Eastern policy of the United States and the "special" relationship between Washington and Tel Aviv, a relationship which, in a certain sense, runs counter to the interests of the United States in the Middle East.

Zionism has been harshly condemned as a form of racism by the United Nations and by other international organizations.

The fight against racism, this shameful anachronism of the century, is one of the most important aspects of UN activity at present. The United Nations is being used as an arena for fierce struggles between the forces of peace and progress--the socialist and liberated nations--on the one hand, and the forces of imperialism and neocolonialism on the other, over vital matters concerning the right of all people to self-determination and to an independent government, free of political and economic pressure and racial discrimination.

In connection with this fight against racism, the situation in two regions--South Africa and the Middle East--which has remained on the UN agenda for many years now, is of exceeding importance. But, while the international public became aware of the racism and racial discrimination existing in South Africa long ago, the racist nature of the policies and practices of the Zionist ruling circles in Israel was not correctly assessed until the 30th Session of the UN General Assembly. It was at this session that a resolution stressing the legal rights of the Palestinian Arabs and condemning Zionism as a form of racism and racial discrimination was adopted by a

majority vote of all the members. At the last, 31st Session of the General Assembly, Zionism was again called a form of racism and racial discrimination; this matter was given a great deal of emphasis by delegates from various nations in their statements at plenary meetings of the General Assembly and committee meetings.

For example, at the 31st session, the delegate from Iraq announced: "By adopting the special resolution in which the General Assembly defined Zionism as a form of racism and racial discrimination, the international community, despite all of the threats and challenges it received from the forces of Zionism and colonialism, had enough courage to admit the simple truth that these forces had always tried to conceal."

Many members of the General Assembly announced with satisfaction that the widely acknowledged resolution of the 30th session condemning Zionism as a form of racism and racial discrimination had contributed greatly toward intensifying the fight against Zionism and Israeli aggression.

Let us recall the major events connected with the formulation and discussion of this topic in the United Nations.

This matter, in similar phrases, was first brought up at the 30th UN Session in connection with the debates on the Decade of Struggle Against Racism and Racial Discrimination. The 14 co-authors of the resolution, who suggested this project, declared that Zionism, as the ideology and practice of the Israeli Government and international Zionism, fundamentally contradicts the high ideals proclaimed in the UN Charter and other UN documents.

The preamble to the resolution listed the specific decisions of the United Nations and intergovernmental organizations, in which the danger of Zionism as a manifestation of racism and racial discrimination had already been pointed out. These include the resolution of the General Assembly of 14 December 1973, condemning South African racism's shameful alliance with Zionism; the declaration on equality of women and on their contribution to development and peace, which was adopted at the United Nations International Women's Year Conference in Mexico and which called for "the elimination of colonialism and neocolonialism, foreign occupation, Zionism, apartheid and racial discrimination"; the resolution adopted by the Assembly of Heads of State and Government of the Organization of African Unity in Kampala in July-August 1975, stating that the racist regime established on the territories occupied by Israel and the racist regime in Zimbabwe and South Africa have a common imperialist origin; and, finally, the political declaration of the conference of foreign ministers of the nonaligned nations, held in Lima in August 1975, which condemned Zionism as a threat to international peace and security and as "a racist and imperialist ideology." The conclusion of the co-authors of the document, which was entered in the agenda of the 30th Session of the General Assembly, was the following: "Zionism is a form of racism and racial discrimination."

The fact that the question of Zionism in its relationship to the struggle against racism and racial discrimination was raised at the 30th Session of



the General Assembly cannot be called a coincidence. After the conflict in the Middle East in October 1973, all of the problems connected with Middle Eastern regulation began to be perceived by the entire world as matters that were organically connected with the fundamental problem in Palestine--the problem of implementing the inalienable rights of the Palestinian people.

The first official and large-scale debate on the Palestine problem was held in the United Nations in 1974 and was outlined in Resolution 3236 (XXIX) of the General Assembly of 22 November 1974, which recognized "the inalienable rights of the Palestinian people, including the right to self-determination without outside intervention and the right to national independence and sovereignty." As THE NEW YORK TIMES later remarked, "the question of the political future of the Palestinian Arabs has finally reached the center of the diplomatic process of regulation" in the Middle East.<sup>1</sup> Naturally, this was not the first time that the United Nations had concerned itself with the problem of the Palestinian Arabs--the victims of Israeli aggression. This problem is essentially as old as the Middle Eastern crisis itself, and has been discussed several times at many UN forums, but more as a humanistic problem than as a political one, even though several Arab states, supported by the socialist countries, have been demanding the fundamental political resolution of this problem for many years now.

The voices of the Palestinians have been heard more and more clearly in the international arena as the international prestige of the Palestine Liberation Organization, the only legitimate representative of the Palestinian people, has grown. The almost 30-year tragedy of this group of people has attracted universal attention. The inhuman, racist nature of Israel's policy in regard to the Palestinian Arabs, both within Israel itself and in the territories occupied by Israel, has become increasingly obvious. The racist nature of the Zionist premises, with the aid of which Israel and the international Zionist movement have tried to "take over," has become increasingly obvious.

The racist nature of the basic premises of Zionism manifested itself from the very beginning of this movement. Claiming that Jews throughout the world, regardless of where they live, constitute a single "race" or "nationality," the Zionists declared the "superiority" of this "race" over all others and said that the Jews were "God's chosen people," which is supposedly corroborated by the mystical religious dogma of Judaism.

At the same time, Zionism immediately announced its expansionist ambitions. At the beginning of the century, the World Zionist Organization already had a program for the "colonization" of Palestine and the subsequent establishment of a Jewish state there. It is a well-known fact that it relied mainly on the strongest imperialist country--Great Britain--in these plans, and then on the United States, enticing imperialism with promises that the future Zionist state would become "a bastion of the Western world" in the Middle East. In 1948, the Zionists, protected by the largest imperialist empires, went against the UN decision on the establishment of two independent states in Palestine--Jewish and Arab. After Israel had been founded, the Zionists began to implement a systematic program of exiling the Arabs from their territories and to expand the borders of the new state even more, again at the expense of Arab lands.

The Zionists attempted to provide a theoretical basis for Israel's aggressive policy. They declared that the new state had been created for the purpose of "harboring refugees," that is, persons of Jewish origin from all over the world. Assuming the "right" to speak for all of the Jews in the world, Israel passed a repatriation act in 1950 and a law on nationality in 1952. While granting all Jews who had never lived in Israel all the rights of Israeli citizenship, these legislative acts said nothing about the Palestinian Arabs, who were the original inhabitants of Palestine. In this way, Israel deprived the Arabs of equal rights with the Jews and established a system of deliberate discrimination against the Arabs.

Describing this scandalous injustice in Israeli legislation, Elmer Berger, president of the American Jewish Alternatives to Zionism organization and prominent opponent of Zionism in the United States, wrote: "If racism is a form of government and social structure in which rights and obligations are officially legislated on the basis of religious beliefs, color of skin or ethnic origins, then most of the 'basic' Israeli laws, which are Zionist in their nature, fit this definition."<sup>2</sup>

Even the apologists of Zionism themselves cannot conceal the discrimination against the Arab population, but they do try to neutralize it by saying that it is selective discrimination and that it is supposedly necessary because of Israel's situation as a region at war. The effects show, however, that this discrimination is of a broad-scale, racist nature, the nature of "a doctrine of racial distinctions and supremacy," according to the definition in the famous resolution of the UN General Assembly of 20 November 1953, which proclaimed the UN declaration on the elimination of all forms of racial discrimination.

The forms and scales of racial discrimination in Israel against the Arab population are distinctly portrayed in the article by Ibrahim Abu-Lughad, printed in the magazine CHRISTIANITY AND CRISIS. The author writes: "The system of apartheid was deliberately chosen and implemented [by Israel] with the aid of laws and force and on the spur of the moment." It is precisely due to the fact that the Arabs are given the status of "second-class" individuals by the Zionists that they do not have the right to establish their own parties, their lands are subject to arbitrary confiscation, their freedom of movement throughout the nation and their freedom to live in certain regions is limited, their political and civil rights are ignored, they are deprived of the right to an adequate education and the right to work, etc. On the basis of this, the author concludes that "the entire state [Israel] is constructed on an idea of the insurmountable differences between Jews and non-Jews."<sup>3</sup> This is attested to by Professor I. Shakhak, chairman of the Israeli League for the Preservation of Human and Civil Rights, in whose words Israel is not only systematically refusing to honor the human rights of the Palestinians, but is also "persecuting them for the most innocent manifestations of [their] national spirit."<sup>4</sup>

Israel is still continuing this policy of exiling the Palestinians from their own lands. In general, the Zionists are trying to "purge" Israel of its Arab

population. As A. Eban, former Israeli minister for foreign affairs, recently stated quite frankly, the goal of Zionism is to "safeguard European supremacy in Israel and to become free of the undesired guardianship of a million /extra/ **in boldface** (emphasis mine--Yu. A.) Arabs." The Zionists use lofty phrases about the "purity of the Jewish race," displaying in this way that they have something in common with the Nazis of the World War II days, and condemn "mixed" marriages between Jews and non-Jews, especially those between Jews and Arabs. They even have contempt for Sephardic Jews--emigrants from the Eastern and African countries, many of whom have dark complexions. Beggarly living conditions have been prepared in Israel for the Sephardic Jews, who do not satisfy the Zionist demand for "racial purity."

It is therefore completely natural that international public opinion had a basis for condemning Zionism as a form of racism and racial discrimination. At the same time, it is also not amazing that this condemnation was opposed by those forces which had always protected the Zionists, aided in the Israeli aggression in the Middle East and directly or indirectly indulged Israel in its implementation of a policy of racial discrimination. Above all, we mean the United States.

Zionism's alliance with American imperialism crystallized after World War II. It would not be an exaggeration to say that it was precisely the political, military and financial aid of the United States that played the most important role in the development of the Middle Eastern crisis, in Israel's retention of the occupied Arab territories and in Israel's disregard for the rights of the Palestinians.

In the United Nations, where Israel has been censured several times during the last three decades, its major supporter and protector has been the United States. It has used its veto power in the UN Security Council to allow Israel to escape the responsibility for acts of international terrorism and piracy against the Palestinians and Israel's neighboring Arab nations. The United States and several other Western nations have attempted to interfere in the work of UN agencies occupied with different aspects of the situation in the Middle East, such as, for example, the Third Committee of the General Assembly, the special committee for the investigation of Israeli practices affecting human rights in the occupied territories and others.

There was a repetition of this at the 30th Session of the UN General Assembly in connection with the adoption of the resolution on Zionism. Considerable differences of opinion between Israel and its supporters on one side and the opponents of the policy of racism and racial discrimination on the other were already apparent even during the stage when this resolution was being discussed in the Third Committee of the General Assembly. These differences of opinion were of a fundamental nature. The Israeli representatives to the committee and their protectors from the American delegation first tried to block the discussion of the draft of the resolution altogether, or at least to postpone the discussion. When this turned out to be impossible, they resorted to the exertion of pressure on some of the young independent countries to hastily build up an opposition to the draft of the resolution and began an extensive campaign to discredit the United Nations and to "blacken" the intentions of the states supporting the draft.

But this tactic proved to be useless. On 17 October 1975, the Third Committee approved the draft of the resolution by an overwhelming majority (70 votes for and 29 against). The opponents of the resolution then doubled their efforts to prevent its adoption by the General Assembly.

The struggle for the adoption of the resolution on Zionism cannot be examined in isolation from other events. In recent years, due to the development of international detente, the political situation in the United Nations has definitely changed in favor of the forces of peace and progress. The many peaceful initiatives of the USSR and the socialist nations have won broad recognition in the United Nations. The positions of the nonaligned nations and the young independent states have been reinforced. The days when the United States was able to manipulate votes in the General Assembly and to have an automatic majority here have receded into the past. The imperialist powers have found themselves in the minority with increasing frequency on the most varied questions of international politics. In particular, this also applies to discussions of the Middle Eastern problem. Most of the states belonging to the United Nations have adopted just decisions which have not pleased the imperialist circles. As a result, some people in the United States and in several of the other Western capitalist nations have begun to call for a "revision" of relations with the United Nations.

Expressing the "dissatisfaction" of the United States with the change in the correlation of forces in the United Nations, the American delegation, headed by D. Moynihan, the American representative appointed shortly before the 30th session, announced that the United States planned to take a "more rigid" position and to "take the offensive" against the "irresponsible" majority in the General Assembly.<sup>5</sup>

Great significance was attached to the UN debates on Zionism, not only in Israel but also in the United States. The fundamental premises of the drafted resolution dealt a blow to Zionism and to its alliance with imperialism. The condemnation of Zionism signified indirect condemnation of its champions and protectors, especially the United States. In addition to this, the means of regulating the Middle Eastern conflict suggested in the draft of this resolution, just as those contained in the drafts of the resolutions on Palestine,<sup>6</sup> ran counter to the "stage-by-stage" policy of regulation, which was being propagandized by the United States and Israel and which consisted in secret negotiations and private bargains, and made it urgent and pressing to discuss and solve the entire group of Middle Eastern problems within the framework of the broad international forum.

The fact that the context in which the resolution was proposed was connected with the beginning of the Decade of Struggle Against Racism and Racial Discrimination also did not please the United States and its Western partners. Influential forces in the West were trying in every way to sabotage the plans for this decade, which could undermine their alliance with the racist regimes.

After the draft of the resolution had been adopted in the Third Committee, the United States again, according to THE INDEPENDENT, the monthly publication of the United Nations Association of the United States of America, "attempted to do everything within its power to postpone the vote on the final adoption of the resolution for a year." At that time, the American press also reported on American attempts to exert pressure on several developing countries in order to make their position less stable. On 24 October 1975, the U.S. State Department sent messages to four Latin American countries (Brazil, Chile, Guyana and Mexico), which had voted in favor of the draft of the resolution in the Third Committee, with an undisguised demand that they reconsider their position. The same kind of pressure was reported by representatives of some other countries.

Just as in all other cases concerning the interests of Israel and international Zionism, the American Zionists spoke out against the resolution. They organized many noisy demonstrations throughout the nation, published pertinent materials in the press and sent petitions, letters and telegrams to Congress, the White House and UN officials for the purpose of preventing the adoption of the resolution that did not please them. According to the Tel Aviv MA'ARIV newspaper, the leaders of American Zionism, worried about the results of the vote in the United Nations, insisted that the United States take immediate measures against the nations supporting the draft of the resolution. They also tried to force the American Government to discontinue its financial support of the United Nations.

Using their channels of influence in Washington, including the so-called pro-Israeli lobbies, the Zionists were able to push a bill, calling for the UN General Assembly to reject the draft of the Third Committee's resolution, into the U.S. Congress. At this time, THE NEW YORK TIMES wrote, "Government officials confidentially stated that they would support this kind of move by Congress as a signal addressed to the members of the United Nations that resolutions of this kind, adopted at the initiative of the Arab and developing states, could have a dangerous effect on American contributions" to the United Nations. This congressional bill was signed by 100 members of the House of Representatives.

Significant services were rendered to the Zionists by D. Moynihan, former U.S. representative to this organization. In official statements, as well as in private conversations, he said that the UN resolution was being impeded by "the significance of Israel" as a nation "where the principles of Western democracy are being preserved."<sup>7</sup> On 7 December 1975, the Sunday supplement of THE NEW YORK TIMES contained an article on the "Trouble-Maker in the UN," which revealed that Moynihan had written his UN speeches with the aid of N. Podhoretz, the editor of COMMENTARY, the organ of the American Jewish Committee. As Moynihan himself had said, "when reference was being made to the Middle East, where he had never been, he was willing to take orders from the State Department, but when the context was Zionism, Jewish history, anti-semitism and other related matters, his main expert would be Podhoretz."<sup>8</sup>

Moynihan's statements were full of slanderous attacks on those who supported the resolution condemning Zionism. Even THE JERUSALEM POST pointed out the fact that the UN delegates "had not heard anything like it" from an American representative since the time of the "cold war" during the 1950's. Moynihan personally thanked H. Herzog, Israel's representative to the United Nations, for this.

But all of the efforts of the Zionists and their supporters turned out to be useless. On 10 November 1975, the General Assembly again approved the resolution by an overwhelming majority (72 for and 25 against). The voice of truth was heard in the assembly in the words of the representative from the Palestine Liberation Organization, Basl Aqla, who stated: "Zionism is a political ideology of imperialism and racism. This is a totally concrete form of racial discrimination against the Arab people of Palestine, whose legal right to self-determination is being stubbornly denied by Israel."<sup>9</sup>

The adoption of the resolution signified a diplomatic victory for its supporters. The resolution had far-reaching political consequences. The struggle against the theory and practice of international Zionism acquires particular significance in light of this resolution. Its adoption focused greater attention on the struggle of the Arab people of Palestine and the Arab nations against Israeli expansionism. This is not only a struggle for territorial and political regulation, but also a fight against the forces of reaction and racism.

There is no doubt that ruling circles in Israel, the leaders of international Zionism and their allies in the capitalist nations are well aware of all of this. Immediately after the resolution was adopted at the 30th Session of the General Assembly, they waged a campaign with the goal of diminishing the significance of this decision, discrediting the United Nations and frightening the young independent countries that had supported the resolution.

Under the influence of the Zionist lobby, the U.S. Senate and House of Representatives passed a resolution censuring the UN decision and calling for reassessment of the U.S. relationship to this international organization. Some American legislators, expecting generous assistance from Zionist groups in the coming elections, said that the United States should discontinue its voluntary contributions to the United Nations (Senator R. Stone, Democrat from Florida) or discontinue all payments to the UN in general and refuse to participate in the work of the General Assembly (Congressman L. Wolff, Democrat from New York). Senator H. Jackson, well known for his right-wing views and his ties with Zionist groups, suggested the use of foreign aid as leverage to "reason" with the nations that had voted for the anathematized resolution. In turn, Secretary of State H. Kissinger said at a press conference that, if the situation which developed during the vote on the resolution on Zionism continued to exist in the United Nations in the future, "this will affect the United States' bilateral and multilateral relations with the states concerned" and "will have the most severe aftereffects on the relations between the United States and the United Nations."<sup>10</sup>

Despite all of these threats, however, American ruling circles evidently understand that, under present conditions, they cannot break off relations with an organization fulfilling many diverse and valuable functions in international relations. It is no wonder that the secretary of state hastily announced that "the interests of the United States dictate the need for retaining UN membership and continuing to finance such operations as the UN efforts in the Middle East" and that the United States "is in no hurry to take any irrevocable steps in regard to its participation in financing the United Nations and working with it." Nonetheless, the United States ostentatiously refused to take part in any measures carried out within the framework of the Decade of Struggle Against Racism and Racial Discrimination or in the work of the UN Committee on the Eradication of Racial Discrimination, precisely on the pretext of its disagreement with the adopted resolution.

The situation in which the United States found itself in the United Nations as a result of this conflict was naturally remarked upon by American newsmen. J. Harsch wrote in THE CHRISTIAN SCIENCE MONITOR: "There is no divine law by virtue of which the United States is always right and those who vote against us in the United Nations are always wrong. Nations vote in accordance with their own national interests. The voting pattern recently revealed in the United Nations only proves that most of the small nations belonging to the UN feel that the United States is presently conducting a policy that is unfriendly to them and their interests."<sup>11</sup> Another author, E. Stone, in an article on "Zionism and Peace" in THE NEW YORK TIMES, wrote: "The painful fact about the UN resolution equating Zionism with racism is that it contains an element of truth.... Israel has the same right to existence as any other nation. But there is no reason that non-Jews should not have the same rights in Israel as the ones for which the Jews and other people are striving" in any other country.<sup>12</sup>

The resolution condemning Zionism as a form of racism and racial discrimination evoked spiteful reactions from Zionists in America and Israel. At first, the Zionists tried to formulate an ideological denial. This kind of attempt was made, for example, by N. Glazer, Zionist author and professor at Harvard University. He reverted to the Zionists' widely propagandized interpretation of Zionism as a kind of "national liberation movement," attempting to represent the state of Israel as the most ordinary kind of state with nothing to distinguish it from all others and "independent of any kind of ideology."<sup>13</sup>

It is obvious that the policy of aggression and the seizure of foreign lands have nothing in common with national liberation. As for the statement about the state of Israel's "independence" of the Zionist ideology, it is enough to recall that, immediately after the founding of this state, the Zionists loudly declared that the ideology of Zionism had become the official ideology of this state and that the government of the nation had "inherited" the functions of the World Zionist Organization in matters concerning the Jewish population of what had formerly been Palestine. The "Law on the Status of the World Zionist Organization--the Jewish Agency," adopted in Israel in 1952 reflected the close ideological ties between international Zionism and Israeli ruling circles. This law defined the authority of the Zionist organizations

and the Israeli Government in the management of international Zionism and in the formation of Israeli domestic and foreign policy. The law stated that "the State of Israel recognizes the World Zionist Organization as a plenipotentiary agency which will continue its actions in the State of Israel to develop and settle the country...and to coordinate the activities of Israeli and Hebrew institutions and organizations, functioning within these areas in Israel and outside of it."

These ties between the World Zionist Organization and the Israeli Government guaranteed, on the one hand, coordinated action by the Zionist organizations in the developed capitalist countries (including the exertion of pressure on the governments of these countries in the interests of Israel, the mobilization of Jewish communities for all-round aid to Israel, etc.) and on the other, participation by representatives of large Jewish capital in various nations and the leaders of international Zionism in the determination of Israeli policy.

No one is trying to deny that Israel, as an independent state, has the same rights as any other sovereign state. And it is not the legal aspect of its existence that is the object of absolute criticism, but its aggressive foreign policy and the racist content of its ideology and practices. The people of the world condemn its bargain with imperialism, its absurd pretensions to "special" rights, its policy stressing the intensification of international conflict and its intervention in the affairs of other nations.

Zionist propaganda's attempts to whitewash Zionism and to embellish Israeli policy cannot conceal the facts. The Zionists' sly tricks to represent any criticism of their ideology or policy as a manifestation of anti-Semitism have also been unproductive.

It is not amazing that the Zionists tried to make use of the bugbear of anti-Semitism in reference to the UN resolution as well. They use this means of propaganda whenever it is convenient and sometimes even try to evoke anti-Semitic feeling to elevate the "consciousness" of the Jews and to make them feel more alienated for the purpose of encouraging them to give further assistance to Israel as their, purportedly, only "refuge."

The banner of the "danger of anti-Semitism" was waved, in particular, in Jerusalem in December 1975 by the so-called conference on Jewish solidarity, attended by 170 representatives from various Western nations. The conference was devoted to "the strengthening of Israel's ties with the diaspora" (Jewish communities in other nations) in light of the latest anti-Israeli decisions" and the unification of Zionism's supporters in light of its ideological defeat. At this international Zionist meeting, which was held immediately after the adoption of the UN resolution and was organized by the Israeli Government and the World Zionist Organization, prominent Zionists, including members of the Israeli Government, tried to work out their own "counter-measures," including the agreement to conduct a "year of Zionism and Israel" in 1976. They decided to intensify their informational propaganda campaign to "elucidate" the UN resolution in the Western countries; they planned for the further "development" of Israeli settlements in the occupied territories by attracting Jewish immigrants, etc.



The Zionists placed great emphasis on the struggle against anti-Zionist feeling among Jews in Israel itself, many of whom are beginning to realize the fatal implications of Israel's aggressive policy.

The increase in this feeling is attested to by many facts. In December 1975, the Israeli Ministry of Finance announced that the rates of emigration from Israel and immigration to Israel were almost equal (19,000 and 20,000 respectively) and that 70,000 people had left Israel during the last 4 years. At a conference in Jerusalem, the Zionists implored the American Jews (whose immigration rate to Israel has recently dropped to almost zero) to come to "the Promised Land." Taking the great international repercussions of the resolution into consideration, the Zionists called for the intensification of propaganda work among the Jewish populations of various nations, particularly among youth, as well as in Israel itself, where the population is gradually losing all of its illusions about the Zionist "heaven."

In addition to this, international Zionism and Israel are trying to promote a campaign against the nations which voted for the UN resolution. Such Latin American countries as Mexico and Brazil have become the object of particularly fierce attacks in the form of "tourist boycotts," discouraging Jews from visiting these countries as tourists or in any other capacity. Similar unsightly attempts at economic pressure are being decisively censured by the Latin American countries and other nations.

At the same time, it should be pointed out that the adoption of the UN resolution on Zionism and the resolutions concerning the Palestinian people and their inalienable rights<sup>14</sup> evoked doubts and differences of opinion about future policy, even among the top Zionist leaders. On the one hand, the "hawks" in Israel, in spite of the condemnations of the world public, announced that "there could be no negotiations with the Palestine Liberation Organization" and that they "would never withdraw to the boundaries" existing prior to the war of 1967 and "would never agree to a third state," that is, they would never agree to the formation of a Palestinian state. The more reactionary Zionist circles in Israel are still fighting for the introduction of new forms of racial discrimination against the Arab population. A secret plan for exiling the Arab population from its native land was suggested at the end of 1976 by Israel Koenig, representative of the Israeli Ministry of the Interior and official in charge of the municipal affairs of the Arab population of Galilee. This plan envisages the accelerated Judaization of regions inhabited by Arabs and the imposition of additional restrictions on construction in Arab villages, the employment of Arab citizens, the enrollment of Arab school children and college students, etc.

In the United States, according to the same E. Stone, the right-wing forces of Zionism are trying to "incite hysteria in the United States and Congress.... They want to shut the door to reconciliation, revive the cold war and continue their creeping annexation of the occupied territories by increasing the number of new settlements."<sup>15</sup> On the other hand, however, there are other figures, such as N. Goldman, president of the World Jewish Congress, who said after the 30th Session of the General Assembly that, "despite the inclination

of some Israeli leaders and part of the Israeli public to deny the existence of a Palestinian nationality, the Palestinians have been recognized as a nationality by the overwhelming majority of representatives of the world community and almost all of the members of the United Nations. The refusal of some Israeli leaders to agree to this cannot last long."<sup>16</sup> The same view was expressed by E. Eliahar, former mayor of Jerusalem: "The [Israeli] leaders who constantly announce that there are no Palestinians are not only fooling themselves, but also the nation, and their arrogance will bring us more trouble than the [October 1973] war did."<sup>17</sup>

The communist parties of the United States and Israel have issued resolute condemnations of Zionism. In evaluating the UN resolution condemning Zionism as a form of racism and racial discrimination, the Communist Party of the United States of America announced: "The struggle against racism, which is therefore characteristic of Zionism, represents an integral part of the anti-imperialist struggle of progressive mankind."

The events following the adoption of the UN General Assembly's resolution showed that the ideological and political struggle over this resolution is growing. And nothing else could have been expected.

The situation in the Middle East continued to be studied in the United Nations after the end of the 30th session. In January 1976, debates were held in the Security Council on "the Middle Eastern problem, including the Palestine question," with the participation of representatives from the Palestine Liberation Organization. The committee for safeguarding the inalienable rights of the Palestinian people, organized in accordance with the premises of the General Assembly's resolution, began its work.

During the course of the January debates in the Security Council, it became clear that there was a severe gap between the opinion of the overwhelming majority of states in the world in regard to this problem and the opinion of the United States, which continued to act as the major champion of the aggressive and racist policies of Israel. Sensing another defeat in the Security Council, Israel itself refused to take part in the meetings, relying on America to plead its cause. In spite of the arguments presented by the delegation from the Palestine Liberation Organization and other delegations, the United States vetoed the resolution which was proposed by several developing countries. But, as the representative from the Syrian Arab Republic announced in the Security Council, "the tyrannical minority of one state which has obstructed the adoption...of the draft of the resolution cannot change the course of history, since the inalienable national rights of the Palestinian people are now beginning to be recognized by every country in the world, with the exception, naturally, of the aggressor itself and one great power which has preferred to remain in isolation in its blind support of the aggressor."

The rights of the Palestinian people were recognized in a new form in another UN resolution, adopted by 122 votes (only the United States and Israel voted against the resolution) on 10 December 1976, during the last days of the 31st session. In this resolution, the General Assembly stated that it "condemns the continuing occupation of Arab territories by Israel in violation of the UN Charter, the principles of international law and several UN resolutions."<sup>18</sup>

The world public is still expressing displeasure with the policies of Israel and international Zionism. One particularly important event in the exposure of Zionism was the World Seminar on Zionism and Racism, which was held in Tripoli on 24-28 July 1976. In November 1976, an international ideological seminar on the exposure of Zionism was held in Baghdad and was attended by 180 prominent scholars from 46 nations, including the USSR and several other socialist states.

The effectiveness of all these demonstrations of displeasure is attested to by the fact that, in November 1976, for the first time in the entire history of the Middle Eastern problem, the United States was forced to agree to a unanimous declaration by the UN Security Council, which decisively condemned Israeli policy in the occupied Arab territories and called it "an obstacle to peace."

We have every reason to believe that Israel's racist policy will remain a matter of central concern to the international community and that the struggle against this policy will constantly grow. This is the clearly expressed desire of the people of the world.

#### FOOTNOTES

1. THE NEW YORK TIMES, 2 December 1975.
2. PALESTINE DIGEST, December 1975, p 21.
3. I. Abu-Lughad, "Zionism and Racism," CHRISTIANITY AND CRISIS, 22 December 1975. .
4. FREE PALESTINE, December 1975.
5. When he was still the U.S. ambassador to India, D. Moynihan's article, "The United States in the Opposition," was printed in COMMENTARY, the magazine of the American Jewish Committee, in which he implored American diplomats to "take the offensive" against the Third World nations. According to some American newsmen, it was precisely this article that played the decisive role in D. Moynihan's appointment as the permanent representative of the United States to the United Nations.
6. UN Resolution 3375 (XXX) "The Palestine Question," 3376 (XXX) "Invitation of the Palestine Liberation Organization To Participate in Peace-Making Efforts in the Middle East" and others.
7. THE NEW YORK TIMES, 22 October 1975.
8. THE NEW YORK TIMES MAGAZINE, 7 December 1975, p 32. D. Moynihan's actions as the U.S. delegate to the United Nations in this connection and in other situations became the cause of many loud public protests. At the end of January 1976, he was forced to retire.

9. PRAVDA, 13 November 1975.
10. Ibid., 15 November 1975.
11. THE CHRISTIAN SCIENCE MONITOR, 6 January 1976.
12. THE NEW YORK TIMES, 23 November 1975.
13. Ibid., 13 December 1975.
14. UN Resolution 3375 (XXX), 3376 (XXX), 3414 (XXX) "The Situation in the Middle East" and others.
15. THE NEW YORK TIMES, 23 November 1975.
16. WASHINGTON POST, 19 January 1976.
17. JERUSALEM POST, 12 September 1975.
18. PRAVDA, 11 December 1976.

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## HENRY WINSTON AWARDED AN HONORARY DOCTORAL DEGREE

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 4, Apr 77  
p 50

[Text] The Academic Council of the Institute of the United States of America and Canada of the USSR Academy of Sciences has awarded the title of honorary doctor of sciences to Henry Winston, national chairman of the Communist Party of the United States of America. On 4 February 1977, at an extended meeting of the academic council, Academician G. A. Arbatov, institute director, ceremoniously awarded the decree to the renowned American communist and prominent figure in the international communist and workers' movement.

In his speech at this festive ceremony, Academician G. A. Arbatov said:

"The awarding of this honorary doctoral degree to Henry Winston not only provides evidence of our deep respect for the selfless political struggle of a practicing communist and a practicing revolutionary, but also signifies recognition of his great contribution to the resolution of many theoretical problems connected with the liberation struggle of the American workers and black Americans and to the analysis of the complex social processes taking place in the United States. H. Winston's many theoretical works, including such works as 'Black and White--One Class, One Fight' and 'Strategy for a Black Agenda,' have brought him international recognition as a scholar. At present, a new book by H. Winston is being published, 'Class, Race and Black Liberation,' which is being anticipated with great interest in the Soviet Union. The life of Henry Winston represents a living embodiment of the wonderful communist tradition according to which revolutionary practice is daily combined with profound and intensive work in the field of theory."

Responding to this speech, Henry Winston said:

"My heart is filled with the greatest happiness, since this honorary degree is being awarded by representatives of Marxist-Leninist science, the science of the working class, which, in its practical aspects, signifies the highest goal of all workers and all mankind--communism."

Describing the leading role of the working class in the struggle of the masses against capitalist exploitation and for national liberation and social progress, H. Winston stressed the great significance of Marxism-Leninism in elevating the class consciousness of the workers. The oppressed races, he said, are looking to the great Soviet people, the first in the world to experience equality and freedom from oppression, which became possible due to the leading role played by the Russian proletariat, guided by the great Lenin.

Touching upon the most important aspects of the struggle for peace and social progress in the United States, H. Winston said:

"It is now necessary to decisively repulse the offensive attacks of the most reactionary circles in the American ruling class to prevent the arms race, which, for the American people, also signifies intensified reaction, militarism and the increased danger of a new war."

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## THE FORD MESSAGES AND THE CARTER PROGRAM

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 4, Apr 77  
pp 51-58

[Article by Yu. I. Bobrakov]

[Text] G. Ford's January messages to Congress were not only the "farewell" messages of the departing Republican Administration: They must be regarded by the nation's public as the official documents summarizing the Republicans' 8 years in power. And this is not changed by the fact that G. Ford began the summarization from the time of his arrival in the White House.

In the State of the Union Message, he wrote: "When I became President on 9 August 1974, our nation was deeply divided and torn by doubts. In rapid succession, the vice-president and then the President left their offices in disgrace. We were still suffering the consequences of a long, unpopular and bloody war in Southeast Asia. Our economy was unstable and we were rapidly approaching the worst economic recession in the last 40 years. People were losing their jobs. The cost of living was rising rapidly. Relations between Congress and the chief executive authorities were bad. The integrity of our constitutional procedures and our institutions was in doubt."

As we know, the attempts of the Ford Administration to "halt" the further development of the economic crisis had been unsuccessful. It was only then, approximately two and a half years later, that the departing President could say that the economy was "recovering." His forecast for the near future did not sound excessively optimistic either: "We are not on the verge of a new recession or economic catastrophe. If we continue our cautious policy of promoting productive capital investments and undermining destructive inflation, we will be successful."

How did the administration of the Republican Party begin its course 8 years ago? As we know, the 1960's, which had been relatively safe for the American economy, ended with growing difficulties--an intensification of inflation processes, a reduction in economic growth, the undermining of the international position of the dollar and the accumulation of general economic disproportions. This entire complex, by which even the Democratic Administration had been

confronted to one degree or another during the 1960's, began to acquire an immeasurably more serious nature at the beginning of the 1970's and had reached the peak of its severity immediately prior to the Republican Administration. At his inauguration in January 1969, R. Nixon promised the nation "healthy economic development," "progress without inflation," "stable prosperity" and "full employment."

At first the Republican Government believed that these difficulties were of a temporary nature and expected to overcome them by traditional means (primarily budget and credit measures), alternately resorting to either the stimulation or the restraint of economic growth. According to plan, this was supposed to guarantee "balanced" growth in the end. During its first years, the Republican Administration, expecting relative "calm" in the economy, also thought about instituting radical reforms of the government structure, which would have placed government regulation of the economy on a long-term basis and reinforced the policy of economic growth with long-range forecasts of the demand for resources and programs for their more or less efficient use.

The dramatic aggravation of the economic situation forced the Nixon Government to shelve its reorganization plans and to actually "forget" about them. Moreover, in August 1971, under the pressure of growing economic and financial difficulties, the President had to propose a program of emergency measures (the "new economic policy"), which was implemented during the next 2 years with the use of even such "coercive" means of regulation, unprecedented in a time of peace, as the "freezing" of prices and wages. By taking this course, the administration indisputably demonstrated a certain degree of firmness, essentially discarding the Republican idea of "minimum" economic control by the government. But its measures did not produce the desired results. Inflation, which was proclaimed the "nation's greatest enemy," was not only not overcome, but became chronic and severe, turning into a powerful destabilizing "built-in" factor in the American economy. The dollar experienced the blows of devaluation, rates of economic growth declined and the promised "full employment" of the population turned into growing unemployment.

During the last stage of Nixon's presidency, at the end of 1973 and the beginning of 1974, the economy entered another cyclical crisis, which became interlocked with intensive inflation and the energy and currency crises and was the most severe crisis since the 1930's.

The subsequent course of events is well known. The crisis dragged on and the process of escaping it turned out to be extremely difficult.

This situation, unprecedented in the postwar period, made it necessary for the government to make the "difficult decisions" referred to by Ford in his last State of the Union Address. To assist the economy in emerging from the crisis, his administration tried to place emphasis on "stimulating" measures, which basically meant tax deductions for private companies. The course chosen by Ford, which he himself defined as a program of "new realism," was aimed at gradual economic recovery, and this "gradualism" was motivated by the need



to avoid another "burst" of inflation. This aim was determined in advance by the prospect of slow economic recovery and the protracted process of absorbing the many millions of unemployed into the economy. Speaking in favor of a "tight budget," Ford suggested a course of "consolidation," which actually signified cuts in government social welfare programs. This could not fail to evoke a negative reaction from the general public.

The "gradualistic" course taken by the previous administration was severely criticized by the Democrats, who advanced a program of more active measures to restore the economy and reduce unemployment during the election campaign of 1976. At hearings before the Joint Economic Committee of Congress on Ford's economic report on the previous year, Democratic Senator H. Humphrey, chairman of the committee, said that, in regard to the more "urgent problems"--unemployment<sup>1</sup> and inflation--"the administration's position can only be described as an 'idle' position." The election platform adopted by the Republican convention in August 1976 also did not correspond to the severity of the situation. Republican officials favored the limitation of expenditures on social objectives and simultaneously favored a further increase in defense expenditures. This program had an obviously conservative character, and American newspapers reported that it sounded "more like an echo of the past than like an agenda for the future." The sluggishness of the process of economic recovery from the crisis with its maintenance of the actually critical level of unemployment, the conservative nature of the Republican Party's platform and other factors made Ford less popular with the voters.

In his State of the Union Message and economic report to Congress, Ford set the goal of "restoring stable, inflation-free prosperity" and proposed several measures as a means of attaining this goal, primarily on the order of tax cuts aimed at a further stimulation of the private economic sector. These measures had, in essence, been proposed by him before, but had not been implemented due to the opposition in Congress, which, as he said, "decided to do things differently--to increase expenditures to a much greater degree than I wanted and to cut taxes to a lesser degree than I felt necessary." Now he was again proposing that corporate taxes be reduced from 48 to 46 percent to "encourage investments," that the corporations be exempt from the "payment of additional taxes," that depreciation deductions be allowed sooner, etc. These proposals also envisaged a cut in personal income taxes, but, in the final analysis, this measure, just as in the past, was primarily intended to establish the most favorable conditions for business.

Ford's message contained an appeal that new measures to aid in economic growth not constitute the "threat of further inflation." This was quite patently an indirect attack on the Democrats' plans for active economic stimulation, which "had contributed toward the development of extremely high rates of inflation that, in turn, led to the most severe recession in the world economy since the 1930's."

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1. This topic was discussed in detail in the last issue of the magazine--Ed.

An important place in the State of the Union Message and the economic report was reserved for the nation's energy problems. As we know, they have become particularly acute in recent years, and the question of the ways of solving them became the object of fierce arguments between the former president and Congress. Ford said with disappointment that "satisfactory progress" had still not been achieved in guaranteeing America's "independence in the area of power engineering" and that only half of his proposals on this matter had become laws, and even these had only "been made laws after great delays."

Criticizing Congress for blocking many of the energy programs he had suggested, Ford stated that America had become more dependent on imports of oil: While in 1973 these imports were used to satisfy 36 percent of the nation's demand for this raw material, in 1976 the figure had risen to 40 percent. "This kind of vulnerability is not to be tolerated either now or in the future." Ford reminded the legislators about the programs he had recently submitted to Congress, aimed at the expansion of natural gas and oil production and the development of the production of electric power at nuclear stations,<sup>2</sup> and suggested that "all ambiguities in regard to environmental protection in coal mining be reduced to a minimum." He asked for "reassessment of the environmental protection policy" (referring to the liberalization of established standards--Yu. B.).

In his economic report, Ford favored the radical reorganization of the government system of economic regulation to guarantee private enterprise "greater freedom of maneuver." "Only a far-reaching program of reforms," he said, "will relieve the nation of the burden of regulation in those areas where this is no longer justified and will again transfer the initiative to the sphere of production and distribution and the more capable hands of the private enterprise sector." Ford did not say what this kind of reorganization should entail. At the same time, it is obvious that his statement about the dangers connected with "excessive" government regulation and "excessive economic stimulation" contains an element of the dispute between the Republicans and the Democrats, which has become particularly fierce in connection with the growing crisis in state-monopolistic regulation and the intensified search for ways to ensure economic "recovery," in which economists and politicians from both bourgeois parties are now engaged.

In his State of the Union Message, Ford devoted a great deal of concern to international politics, commending the Vladivostok agreements with the Soviet Union and remarking that, "if both sides display determination and wisdom, a good agreement might be reached this year."

In proposing his program for the defense budget, however, he did not display any of the wisdom which he himself had counseled. He spoke in favor of a new sharp increase in the military strength and defense expenditures of the United States, alluding to the fact that the USSR is supposedly "constantly augmenting the resources used by it to increase its military strength."

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2. In a coming issue, the editors plan to print an article on the energy crisis and energy policy of the U.S. Government--Ed.

The draft of the federal budget for the 1977/78 fiscal year (beginning on 1 October 1977) submitted by Ford to Congress reflects this program for increasing U.S. military strength clearly enough. Defense appropriations from the budget are to be increased from 110 billion dollars during the present 1976/77 fiscal year to 123.1 billion in 1977/78 and 135.4 billion in 1978/79. This is the largest appropriation for "national security" in the entire history of the United States. On the whole, budget expenditures have been set at 440 billion dollars, while revenues have been set at 393 billion. The relationship between the figures signifies a new, "planned" deficit of 47 billion dollars, a deficit just as large as the one of the last few years. As a result, the national debt will increase even more--to an unprecedentedly high level: 785 billion dollars. The American press admits that this draft of the budget has met with enthusiasm in the headquarters of the military-industrial corporations and that this record sum of defense expenditures has been set at a time when the depression in the economy is still going on.

In evaluating the last weeks of the Republican Administration's work, THE NEW YORK TIMES stated that "the faith of the population in the economic policy of the government, judging by the results of numerous public opinion polls, has fallen to a record low."

The new President and his administration were faced by a difficult task--to not only take immediate measures to alleviate the more serious economic problems, but also to make an attempt to restore this faith in some way and to create a more favorable "environment" for themselves. In the preparations for his campaign and during the campaign itself, J. Carter devoted considerable attention to his economic platform. Prominent economists participated in its elaboration, including one of the most famous American authorities in the field of economic modeling and programming--Professor L. Klein, who served as the future President's chief economic advisor during the campaign. Carter's promises to take energetic action in the fight against unemployment and to stimulate the economy helped to attract larger groups of voters over to his side and served as an important factor determining his victory in the election.

Carter was trying to find a formula to make his promises correspond to actual possibilities. This idea could still be heard in his inauguration speech. "I have no new dream to set forth today," he said. "We have learned that 'more' is not necessarily 'better,' that we can neither answer all questions nor solve all problems." Soon afterward, by the end of January, Carter sent Congress a message delineating the program of the new administration. This document does not have the characteristics of a long-range economic strategy, it only represents a plan of initial measures for overcoming the most acute problems in the economy and this is evidently why he has called it a program of "economic revival."

The preamble to this message contains an assessment of the economic situation. In particular, it points out the fact that the growth rate of the real GNP dropped successfully during the second, third and fourth quarters of 1976. By the beginning of 1977, there were already around 10 million completely and partially unemployed individuals in the nation. "Most economists feel,"

the document goes on to say, "that, in the absence of an additional stimulus, the rates of economic growth in 1977 will be inadequate--around 4.5-5 percent. If no measures are taken, the growth rate will probably be even lower due to the severe winter this year."

The "comprehensive program" presented to Congress by the new President is a 2-year program intended to solve the two most important problems--to improve the unemployment situation and to provide the economy with certain stimuli. Its implementation will cost 31.2 billion dollars which will be divided in the federal budget into two approximately equal shares for the present and next fiscal years.<sup>3</sup>

In terms of its content, the program consists of three parts.

The first part is the "program of public works." It proposes that 4 billion dollars be "allocated soon" for emergency measures in this area (in addition to the 2 billion allocated by Congress in 1976) and that this sum be divided into equal shares for 1977 and 1978. The fact is pointed out that the old program does not provide for the necessary distribution of resources among regions suffering particularly high unemployment rates, and that a corresponding bill on public works will be introduced in Congress after the necessary preparatory work has been done. Here it would be worthwhile to mention that, in the 1930's, the government of F. Roosevelt, succeeding a Republican administration at the time of the "great depression," had to begin with programs of public works to alleviate the burden of unemployment to some degree. Something similar is occurring at present, at this time when the Democrats have succeeded the Republicans in power and when the economy of the nation has still not recovered from the most severe crisis in 30 years and the scales of unemployment are the greatest in more than 40 years.

The second part is the "employment and training program," intended for Americans "who do not have the necessary professional training and skills and, therefore, cannot find work even in good times." It includes several subprograms.

Firstly, this involves the creation of jobs in the sphere of municipal services. The unemployed are to be given jobs in hospitals, mental institutions, national parks and recreation areas, they are to perform various kinds of work in urban regions, particularly those with a high crime rate, and will insulate residential buildings and government establishments (one of the ways of saving energy), etc. The program suggests that 0.7 billion dollars be spent on these objectives during the present fiscal year and 3.4 billion during the next. It is estimated that these funds will provide work for 725,000 individuals (instead of the present 310,000) during the 1977/78 fiscal year.

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3. This and other measures suggested by the administration must still be approved by Congress.

Secondly, this involves a reduction in the rate of unemployment among youth.<sup>4</sup>

This proposes an increase of 176,000 in the number of jobs for youth and the establishment of a special additional job-placement program for rural and urban youth between the ages of 16 and 21.

Thirdly, this involves the job-placement of "veterans of the Vietnam era." "Veterans--the disabled and blacks," said Carter, "are in a particularly unfavorable position. More than 20 percent of the young veterans of the Vietnam War are blacks without work at the present time." He recommended the creation of 92,000 jobs for the veterans by the end of the 1977/78 fiscal year and the establishment of a special "incentive system to encourage private businesses to give them jobs."

Plans for the creation of an additional 78,000 jobs for the unemployed were also recommended (including 20,000 jobs for immigrants and Indians).

The third part is a "program of revenue sharing to eradicate the negative consequences of the recession." This proposes the continuation and expansion of the existing program of 1975, in accordance with which the federal government places additional funds at the disposal of state and local governments in those cases when the average annual rate of unemployment in the nation exceeds 6 percent. These funds will amount to 1 billion dollars for each of the 2 years (with an unemployment figure of 7.5 percent) in addition to the 1.25 billion dollars already allocated for these purposes. The President recommended that the new system of revenue sharing be approved for a 5-year period, so that "this program can automatically remain in effect and can be employed, if necessary, in the future."

A program of "tax reform and the simplification of the taxation system" was advanced as a special measure of economic stimulation. This refers to tax cuts, in the first place, in the form of a 50-dollar rebate from 1976 taxes for each taxpayer owing at least this much in taxes (the total amount of this reduction would be 8.2 billion dollars) and, in the second place, in the form of cash payments, which would, as the President promised, "particularly benefit the working poor" (a total of 1.4 billion dollars). The plans also call for cash payments of 50 dollars in 1977 to all individuals receiving social security benefits (a total of 1.8 billion dollars), which, according to plan, should help the "aged poor."

In addition to this, the program envisages a permanent increase in the tax deductions for low-income families and individuals, as a result of which, in the President's words, "3.7 million taxpayers with low incomes and their families will no longer have to pay any taxes." Plans are also being made for the simplification and standardization of the entire system of tax

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4. According to the U.S. Department of Labor, the officially registered unemployment rate among youth was 19 percent in 1976.

deductions to make it easier for "approximately 75 percent of the American taxpayers" to calculate the amount of taxes they owe (the present system is so complex and confusing that it is not only difficult to understand for the citizens, but frequently even for the Internal Revenue Service itself). As a result of these measures, taxes paid to the treasury would be reduced by 1.5 billion dollars in 1977 and 5.5 billion in 1978.

As a means of providing incentives to business, the President proposed the introduction of "elective" tax benefits for industrial companies: They would be offered either a tax deduction in the amount of 4 percent of the taxes on wages or additional tax benefits of 2 percent for capital investments in industrial equipment.

In assessing the possible effect of all these measures, Carter said that, although they will cost the treasury 31.2 billion dollars in 2 years, the stimulus they will provide to the economy by increasing revenues and the number of jobs will lead to an increase in federal revenues and a reduction in expenditures on unemployment benefits. In response to the Republicans' warnings about the new inevitable inflationary consequences of active economic stimulation, he said that his program "would not lead to any significant rise in the present rate of inflation" and tried to assure Americans that his government "will always keep a watchful eye on inflation, which is robbing us all." "Carter's advisers say," wrote THE NEW YORK TIMES, "that, in view of the fact that this program is intended to be carried out in two stages, excessive stimulation and, therefore, a return to high rates of inflation can be avoided." According to the new administration's economic experts, under the conditions of the considerable underloading of production capacities, stimulatory measures contain much less of an inflationary "charge" than they do under the conditions of high levels of market activity.

On the whole, we repeat, the program of the new American administration is only intended to help the economy recover from the consequences of the economic crisis, and does not go beyond this limited objective. At the same time, if the rates of economic recovery do not rise during the next few months, the government, in all probability, will have to resort to new stimulatory measures. Economic experts in the United States are being extremely cautious in their evaluation of the possible effect of the program, and many feel that it is inadequate to guarantee a significant turn for the better.

There are certain grounds for this kind of caution. One of them may be found in the additional difficulties arising from the extraordinarily severe winter this year, for which the American economy was not prepared. The cold weather gave rise to serious difficulties with fuel resources and led to substantial stoppages in the supply of natural gas. As a result, many enterprises closed, and approximately another 2 million workers lost their jobs. This extraordinary situation made it necessary for Carter to institute emergency measures. He sent Congress an emergency bill on natural gas, asking for the authority to redistribute the resources of this fuel between various states to provide supplies to the regions in the nation with the greatest need. Therefore, in solving the complex equation of economic policy, the new administration also has to deal with many unknown quantities expressed not only in terms of economic elements, but also the natural elements.

The economic difficulties were also reflected in the budget message sent by the new President to Congress on 22 February, which contains the revised draft of the federal budget for the 1977/78 fiscal year. According to this apportionment, budget revenues should not amount to 393 billion dollars, as proposed by Ford, but to 401.6 billion; expenditures will not be 440 billion, but 459.4 billion. This means that a budget deficit is planned in the amount of 57.8 billion dollars instead of the 47 billion planned by Ford. This signifies a further increase in budget deficits and a new increase in the national debt.

The new draft of the budget is constructed with consideration for the prospects of the realization of the administration's program for "reviving the economy." Besides this, the stabilizing effect of the budget is planned on an extremely meager scale: According to the forecast contained in Carter's message, unemployment during the 1977/78 fiscal year will amount to an average of 6.3 percent, that is, the reduction will be quite insignificant in comparison to the rate at the beginning of 1977 (around 8 percent).

The President also announced that he would soon submit an "all-encompassing energy program" to Congress, which will outline the position of his administration in regard to different ways of solving energy problems. (Prior to this, he asked Congress for the authority to carry out a reform of the government agencies occupied with these problems and to create a department of power engineering.) He also stressed that this program would require that Americans be willing "to make sacrifices."

Some mention must also be made of the political difficulties Carter has already begun to encounter. For example, extremely serious consequences may ensue from the campaign of blackmail being waged against the new government by the military-industrial complex, working hand in hand with reactionary politicians from both bourgeois parties. We should recall that, even before the election, Carter spoke of his intention to find ways to ensure the further development of detente and promised to reduce defense expenditures by 5-7 billion dollars. After coming to the White House, he repeated that he was willing to work together with the Soviet Union to halt the arms race. Under these conditions, reactionary forces in the United States, having relaunched the big lie about the "Soviet menace," are trying to block the process of detente and the improvement in U.S.-Soviet relations, to "tie the hands" of the President and to prevent the reduction of the nation's defense budget, the growth of which was "programed" by the old administration.

Carter's budget draft envisages defense appropriations in the amount of 120.3 billion dollars; this signifies a reduction of only 2.75 billion in the sum proposed by the Republican Administration. This does not correspond well to Carter's campaign promises. It is easy to understand why this draft has been criticized by the public. The head of the National Urban Coalition, C. Holman, said in this connection, for example, that "less money will be allocated for the needs of our cities and our poor than many of us hoped." In addition to this, the enormous defense expenditures are imposing a heavy burden on the economy of the United States, and the preservation of this burden can seriously complicate its post-crisis "revival" proclaimed by the President.

## WHO PAID FOR THE 1976 ELECTIONS

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 4, Apr 77  
pp 59-64

[Article by V. I. Fedorov]

[Summary] Money has always played an important role in American political life, particularly in the electoral process. According to estimates, the election campaign of 1972 cost around 425 million dollars. This money was used to pay for the candidates' television appearances, various kinds of political advertisements, the maintenance of a campaign staff, the payment of transportation expenses, etc.

The Watergate scandal and all of the subsequent disclosures made it obvious that corruption existed on every level of the electoral process in the United States. Public protests resulted in the passage of laws to regulate the acquisition and spending of campaign funds. The new laws were first tested during the course of the 1976 campaign. But did they actually put an end to the constant rise in campaign spending and weaken the influence of the candidates' wealthy patrons?

In 1976, expenditures during the initial period of the presidential race, up to the time of the Republican and Democratic conventions, were much higher than the 1972 expenditures for the same period (82.3 million dollars and around 54 million respectively). This is quite a significant difference, particularly at a time when limitations have supposedly been set on campaign spending. During the second stage in the 1976 race, after the party conventions, J. Carter and G. Ford spent 43.6 million dollars by the beginning of November. In 1972, R. Nixon spent around 42 million dollars during the second stage in his campaign and G. McGovern spent around 30 million; and this was the election which evoked all of the public outcries.

The 1976 election was also distinguished by the number of contributions received from political action committees set up by businessmen and other special interest groups. More than a thousand such committees were formed to finance and support certain candidates. Just as in the past, the major donors on each candidate's list were various corporations, lobbyist organizations, and individuals with the familiar names of Rockefeller, Getty, Kaiser,



Coors, Boeing, Dupont, etc. The largest individual donation came from the American Medical Association, which spent almost 1 million dollars on the congressional campaign.

Therefore, we cannot say that the new laws have cured the ills and defects of bourgeois politics. In 1919, V. I. Lenin said that the power of capital was stronger in America than anywhere else. He warned that capital, by reason of its very existence, would always reign over society. The last 60 years have corroborated his statements over and over again.

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## DETENTE THROUGH THE PRISM OF PUBLIC OPINION POLLS

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 4, Apr 77  
pp 64-69

[Article by M. M. Petrovskaya]

[Summary] The election campaign of 1976 indicated that most of the American public supports the course toward detente, but it also showed that right-wing forces and the military-industrial complex are trying to influence public opinion for the purpose of discrediting detente and making it less popular. In 1975, a Harris poll was conducted to learn the public's feelings about all of the aspects of detente. In addition to representatives of the general public, the nation's "leaders," including senators, congressmen, State Department officials, directors of the mass media, university presidents and the heads of research centers and labor unions, were also polled.

The results showed that, although most Americans feel that domestic problems should be given top priority, they also support the active development of relations with other countries. They are now more interested in new problems in international affairs (environmental protection, the energy, raw material and food crises, etc.) than in "traditional" problems (military and political matters). They are less inclined to regard the "containment of communism" as a primary objective, and 82 percent agreed that the United States must learn to coexist with the Soviet Union.

At the same time, the propagandistic idea of "American superiority" still holds sway. The majority of those polled believed that the world depends more on the United States than it depends on the world. Besides this, the Americans' positive attitude toward detente is combined with anti-Soviet feeling. This is due to the slanderous campaign being waged by right-wing forces to convince the Americans that the Soviet Union is trying to turn detente into a "one-way street" for the purpose of gaining some kind of fictitious onesided economic advantages.

The poll also showed that, after having experienced the Vietnam War, Americans no longer wish to be directly involved in military conflicts and are not likely to regard any foreign conflict as a "threat to national interests."

Purely ideological considerations are no longer enough to justify America's involvement in an international conflict. The fact that 96 percent of the Americans favored the conclusion of an agreement with the Soviet Union to put an end to all wars demonstrated that they do not approve of attempts to return to the cold war strategy and tactics, realizing that the consolidation of American-Soviet relations is in the fundamental interests of the American people.

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NEW JOURNAL OF THE COMMUNIST PARTY OF THE UNITED STATES

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pp 70-71

[Article by N. K. Setunskiy]

[Text] The Communist Party of the United States has begun to publish a new magazine--THE BLACK LIBERATION JOURNAL, on the liberation movement of the black Americans.

The publication of this quarterly at a time when the fight against racism, racial segregation and discrimination and the struggle for civil rights are undergoing changes in their forms and methods must be recognized as an opportune event. As speakers at the 21st Congress of the Communist Party of the United States pointed out, black Americans are now playing a more active role than ever before in many areas of social activity. If we also consider the growing interest of the black masses, particularly youth, in Marxism-Leninism, the opportuneness of the appearance of a magazine which analyzes the theoretical and practical aspects of the Afro-American movement from a standpoint of scientific communism becomes even more obvious.

Calling the publication of the magazine an important move and a significant event in the life of the party, National Chairman Henry Winston said that THE BLACK LIBERATION JOURNAL would aid in the fight against discrimination in hiring practices and explained the need for class solidarity in the common struggle of the working class for its own interests. Henry Winston expressed confidence that the magazine would "make an important contribution to the antimonopoly movement as a whole."

The content of the articles printed in the magazine indicates their high theoretical level, profound analysis of problems and broad range of subject matter.

In the United States, 1976 was the year of the latest presidential election and renewal of the body of congressional representatives. THE BLACK LIBERATION JOURNAL printed several articles describing the course of the election campaign. General Secretary of the Communist Party of the United

States Gus Hall wrote an article for the magazine, analyzing the election platforms of the candidates from the two main bourgeois parties and demonstrating that both conveyed a distinct impression of racial intolerance. In view of the fact that racism serves as an instrument of capitalist exploitation and that capitalism gives rise to racism, G. Hall wrote, the fight against racism is closely related to popular ideas of "political independence." He called for the establishment of broad voter coalitions on the basis of "resistance against the omnipotence of the monopolies, opposition to racism, defense of the fundamental democratic rights and the condemnation of imperialist aggression in foreign policy." Only "political independence of this nature...can be a viable alternative to the policies of the two old parties," stresses G. Hall.

In connection with the American Bicentennial celebrated last year, William Patterson, one of the veterans of the black movement, wrote in the magazine that the black Americans had remained indifferent to the official festivities marking this event. The black community is well aware of the limited nature of the American Revolution, which did not abolish slavery, but, on the contrary, legalized it in the South for almost a century. Even after the Emancipation Proclamation had been ratified, the author says, "the ruling class fostered the myth of white supremacy" and is now attempting to perpetuate racism, which has remained "an unresolved conflict in the capitalist society."

THE BLACK LIBERATION JOURNAL justifiably devotes a great deal of attention to the socioeconomic problems of the black population without contrasting its position to the position of the American general public as a whole. In its analysis of the various ways in which the crisis of American capitalism is manifesting itself and its class, national, racial and other conflicts are becoming intensified, the magazine only focuses attention on the specific features of the black position.

For example, Jarvis Tyner, member of the Political Commission of the Central Committee of the American Communist Party, explaining the causes of the crisis in the American cities, points out the inability of the authorities to solve this problem effectively.

James Steel, national chairman of the Young Workers Liberation League, writes about the destructive effects of the latest economic crisis, the most severe in more than 40 years, on the entire younger generation in America. The author focuses attention on the calamitous position of young black workers, whose rate of unemployment is 50-60 percent in every large city.

The new organ of the American Communist Party is definitely opposed to the arms race and insists on serious cuts in the Pentagon's multibillion-dollar budget. The magazine points out the need for a display of greater energy in the struggle for the peace budget suggested by the progressive public in the nation. H. Winston connects the realization of this goal with the task of "ensuring international detente and peaceful coexistence for the sake of guarding mankind against nuclear war."

Many of the magazine's pages are devoted to matters connected with the American civil rights struggle and the fight against political and racist repression, arbitrary action by the courts and the police, and the persecution of "unreliables" and all dissenters. In particular, the magazine responded on a broad scale to the appeal of the World Peace Council and the International Association of Democratic Lawyers that 6 September 1976 be designated a day of international solidarity with the "Wilmington Ten" and "Charlotte Three," two groups from North Carolina who fought to defend the civil rights of blacks and to end racial segregation and were thrown into jail on the basis of false accusations.

This list of the indisputable achievements of THE BLACK LIBERATION JOURNAL must also include its extensive coverage of international events from a consistently anti-imperialist, anticolonial and antiracist standpoint.

The overt aggressive actions taken against Angola by the racist regime in South Africa in congress with imperialist circles, as we know, has not left the black community in the United States indifferent. Tony Monteiro, executive secretary of the National Anti-Imperialist Movement for Solidarity With Liberated Africa, wrote a special article on this. The author wrote about the American Government's sympathy with the aggressor and assistance to the antipopular groups in Angola. The author contrasts this course to the selfless aid rendered by the Soviet Union to the People's Republic of Angola, based on its fraternal, anti-imperialist ties of solidarity with the Angolan people.

The magazine also exposes Washington's maneuvers in the south of the African Continent, emphasizing the fact that the South African regime is regarded as the major base of imperialism in its plans for subversive activity against the African nations that have recently won their independence and as an outpost to be used for the purpose of the economic and political penetration of Africa.

The reader will find a great deal of other interesting information in THE BLACK LIBERATION JOURNAL and will become acquainted with the journalistic efforts of Paul Robeson, materials prepared by Angela Davis, a bibliography on current problems in the history and culture of the black Americans and the profoundly militant verses of Wayne Moore and Langston Hughes. Issues of the magazine are aptly supplemented with illustrations by artists Charles White and Horst Ailish, photographic essays, charts and diagrams.

THE BLACK LIBERATION JOURNAL is taking its very first steps, and it is therefore understandable that its editors, headed by Roscoe Proctor, chairman of the Black Liberation Committee of the American Communist Party, still have great difficulties to overcome. But the interest that has been expressed in the issues that have already been published indicates that the publication of this magazine has become a noteworthy event in the social and cultural life of the United States and has attracted considerable attention in the nation's progressive community.

## POLISH SCHOLARS STUDY THE UNITED STATES

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 4, Apr 77  
pp 71-72

[Article by Marek Hagmaser, researcher in the North American Department of the Polish Institute of International Relations]

[Text] Many publications about the United States are appearing in the Polish book market. These works discuss many areas: Domestic policy, social relations, science, culture, the state of the economy and foreign policy.

Poland does not, however, have a special scientific center exclusively engaged in the study of American affairs. Scientific research on the United States is conducted by the North American Department of the Polish Institute of International Relations, which is headed by Longin Pastasiuk. This department studies the foreign policy of the United States, the history of American diplomatic relations and aspects of Polish-American relations. It analyzes the position occupied by the United States in today's world, America's relations with its European allies, the consequences of the American aggression in Southeast Asia and the effects of this aggression on sociopolitical relations in the United States. The department also prepares information on American international economic relations, foreign economic policy, overseas capital investments and, in particular, the multinational corporations. The economic policy of the United States in regard to the socialist nations is analyzed.

Several scientific works have been written on the power structure in the United States; these have concentrated mainly on the decision-making process in the field of foreign policy, America's military ties to other states, the legal aspects of these alliances, their functioning and their development.

In recent years, the North American Department has published many editions, including works by Longin Pastasiuk, Franciszek Nic, Witold Jurasz, Kazimierz Novak and other Polish experts on American affairs. Some of these books have been concerned with the past of the American people, as, for example, Jeronim Kubjak's book, "The Origins of the American Nationality." In this book, the author analyzes the development of the American nationality

and interprets the American ideas on assimilation. He rejects the idea of the "melting pot" and asserts that the integration of ethnic groups and their cultures into a single nationality occurred as the result of a certain metamorphosis in the cultural values of these groups under the influence of the Anglo-Saxon culture. The culture of these ethnic groups, in Kubjak's opinion, also had its own influence on the Anglo-Saxon nature of American culture as a whole. Another historical work that deserves mention is Leon Korusiewicz's work, "Abraham Lincoln."

"America in Polish Memoirs," edited by Bogdan Grzielonski, is a kind of anthology containing excerpts from 20 diaries and books of memoirs written by Poles who visited the United States between the end of the 19th century and 1914. These include the memoirs of Julian Ursin Niemcewicz, Henryk Sienkiewicz and Ignacy Paderewski. These memoranda represent interesting information on the history of the American people. The book is illustrated with many maps and photographs and includes scientific commentaries.

One other publication should also be mentioned. It is called "North America. A General Survey." This collective work is the first in a series of publications on American affairs from the historical, political, sociological, legal and economic standpoints. The first volume contains works by 14 authors on the history of the United States up to World War II, as well as articles on current events. This volume also contains a section of literary criticism and a bibliographical index of works by Polish and foreign authors published during 1944-1971.

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## AMERICAN FORECASTS FOR THE U.S. ECONOMY UP TO 1985

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pp 73-84

[Article by V. G. Klinov]

[Text] Economic forecasts have become an essential element in working out the strategy of state-monopolistic regulation in the United States.

The relative weakening of America's positions in the world economy and the growing instability of the capitalist economy due to the synchronization and greater frequency of cyclical crises in the major capitalist countries, the profound disproportions in the branch structure of the economy (the raw material, energy and ecological crises) and disorders in currency circulation all attest to the development of a crisis in the state-monopolistic system of economic management. As soon as the American economy began to emerge from the crisis of 1973-1975, the situation again became worse in the second half of 1976. The growth rates of the real GNP slowed down, here was a drop in industrial production in September and October, unemployment began to rise again and inflation processes became more intensive. As the interval marking the end of improvement in market conditions grew longer, American economists began to express greater fear that there might be another "recession." During the 1970's, the contradictions between the short-range and long-range goals of capitalist economic regulation became quite apparent. The energetic anticyclical policy and the sharp transition from measures to stimulate demand to measures to limit demand, characteristic of the beginning of the 1970's, contributed toward a drop in the growth rates of the real GNP. And the attempts being made in the mid-1970's at conducting a moderate anticyclical policy with an emphasis on stable growth in the long-range future are likely to cause "disturbances" in current market conditions.

American leading circles feel that one important way of overcoming the difficulties consists in supplementing traditional measures of economic regulation with middle-range plans for its development, particularly estimates of the demand for capital investments to solve important problems connected with economic development and changes in economic structure.

We know that many important aspects of capitalist economic development are either impossible to forecast or are generally forecasted erroneously.<sup>1</sup> Nonetheless, economic forecasting in the United States has acquired a systematic nature and is becoming quite widespread. The regular development of forecasts for 5-10 years in advance is one of the instruments for adapting capitalism to new conditions.

Because of this, a study of the theory and practice of forecasting in the United States and the other capitalist nations is a necessary part of the study of the natural developmental tendencies in state-monopolistic capitalism.

Middle-range forecasts of economic development in these nations are also interesting because they make it easier to estimate the future possibilities of international cooperation and the prospects of economic competition between the two worldwide social systems. In this connection, American forecasts of economic development in the United States deserve particular attention as forecasts pertaining to the largest capitalist power.

The study of forecasts has its analytical and procedural aspects. A knowledge of procedures is necessary for assessing the validity of forecasts.

The compilation of forecasts of the capitalist economy includes: An analysis of economic growth; a study of the peculiarities of the cyclical situation; the elaboration of hypotheses of future development; consideration of the possibility for deliberate influence on objective socioeconomic processes; the determination of political goals. The development of work in this area reflects the United States' progress toward indicative planning. After all, the forecast is not only connected with the engineering of policy, it also reflects its goals and priorities. The forecasts published by government organizations are expected to set general guidelines for company owners, influence the plans of corporations and set the limits of union demands for wage increases. They are regarded, therefore, as one of the ways of mobilizing resources to attain the objectives set by the government in the area of economic growth. Middle-range forecasts also represent an important source of information on the state of the American economy, its developmental tendencies and the goals of the United States in the sphere of domestic and foreign policy.

Government forecasts also perform a certain ideological function. They are intended to maintain faith in the viability of the American social order by setting nationwide goals in economic development. From this standpoint, they can qualify as optimistic forecasts: The growth rates they predict are usually only possible to attain under the most favorable circumstances.

The forecasts drawn up by private corporations, in the final analysis, pursue the same class goals. But these, in general, provide a more reserved estimate of American economic potential. Besides this, they frequently present the problem of growth in an artificially dramatized form.

Pessimistic estimates of growth are calculated on the basis of extremely unfavorable circumstances. All of this is done to exert influence on government policy and to substantiate the need for more beneficial conditions for private capital.

American forecasts of economic development in the United States have been examined many times in Soviet scientific literature.<sup>2</sup> In this survey, we will concentrate on several American hypotheses on economic development in the United States up to 1985 that have served as the basis of forecasts and will evaluate them. We will only examine forecasts of the rate of increase in the more general economic indicators--real and potential GNP, potential manpower and potential labor productivity, as well as fixed productive capital.<sup>3</sup>

Before we examine these hypotheses, it would be wise to present a brief general description of this group of forecasts and their statistical and scientific bases.

#### Group of Forecasts

Table 1 presents information from all of the forecasts studied and classified by the author--first those which only cover the 5-year period up to 1980, and then those which describe both this 5-year period and the next. Half of the 14 forecasts were compiled in 1975-1976, 4 were drawn up in 1973-1974 but were published in 1974-1975, and 3 were prepared in 1971-1972.

The final group of assessments reflects the work being done by American researchers representing the major fields in American economic forecasting. The forecasts were compiled by:

Government agencies responsible for the development and implementation of economic policy (the Council of Economic Advisors to the President, the Office of Management and Budget);

Temporary committees set up by the government to work on certain aspects of economic policy (research group of the Council on Economic Policy);

Government statistical agencies (Bureau of Economic Analysis, Bureau of Labor Statistics);

Private research organizations engaged in the analysis of economic policy and the preparation of recommendations for the government (the Brookings Institution, the National Association of Planning--NAP. The forecast of this association was taken into consideration in the estimate of the GNP level for 1985 indicated in Table 2, but was not included in Table 1 because of its limited comparability to other forecasts);

Large corporations (of these forecasts, only the forecast of General Electric was taken into account, but it was not included in Table 1 for the same reasons as the NAP forecast);

Firms specializing in forecasting (Data Resources, Inc., Chase Econometric Associates, Wharton Econometric Forecasting Associates);

Prominent researchers of economic growth.

For the sake of comparability, the forecasts were sometimes supplemented by data specially calculated by the author (these included the rates of increase in the potential GNP, potential labor productivity and productive capital). These data correspond to estimates in the forecasts on the growth of the real GNP, labor force, capital investments and unemployment. At the same time, the indicators of growth in the real GNP were excluded from the forecasts compiled prior to 1975.

#### Statistical and Scientific Bases

American forecasts are based on a developed system of statistics. The compilers of forecasts also obtain additional, unpublished information from statistical agencies. This does not mean that there are no gaps in the information they have at their disposal. Significant efforts are being made to develop and improve the statistics available to forecasters. Research is being conducted on the possibility of setting up a single system of national accounts,<sup>4</sup> which would include economic and social indicators, expanding the sphere of statistical records, improving the procedures for measuring the GNP, labor expenditures and fixed capital, perfecting the system for the classification of the ways in which the GNP is used, increasing the amount of information available on the activities of regional governments, etc.

Naturally, we must remember that the problem of the more profound study of the natural tendencies of American economic development cannot be reduced to the mere improvement of statistical information, as some bourgeois economists tried to imply. The major shortcoming of American forecasts consists in the fact that their preparation, just as the work involved in the improvement of statistics, is carried out in the absence of a solid theoretical basis. The mechanism of economic growth, the effects of scientific and technical progress, cyclical forces and inflation on the economy and the policies of the government have not been adequately studied. This is due to objective difficulties in the analysis of the mechanism governing the development of productive forces and, consequently, the forecasting of economic processes in the capitalist society. At the same time, the very potential of bourgeois science to perceive economic reality is limited due to its apologetic orientation. After all, bourgeois political economy carefully conceals the exploitative nature of the capitalist production process. It examines the external manifestations of relations, ignoring the "internal essence and internal structure of this process."<sup>5</sup> The techniques it uses for analysis and forecasting--from the simplest computation formulas, empirical proportions and productive functions to the more complex intersectorial models--at best can only approximately imitate changes in the general economic indicators for the base period.<sup>6</sup> As for the future, given

the present level of knowledge, American specialists are not always able to recognize the symptoms of an approaching cyclical crisis even 3-4 months prior to its onset. Rates of economic growth are forecasted largely on the basis of the projection of past tendencies into the future. The shortage of theoretical knowledge about natural developmental tendencies and the interaction between elements of productive forces is not compensated for by the use of complex econometric forecasting techniques. Large econometric models provide a more detailed picture of changes in economic potential in the middle-range future, but this is rarely a more accurate picture.

All of these shortcomings manifest themselves clearly in the fact that American researchers are far from unanimous in their assessment of the tendencies for growth in the potential GNP even in the case of past years. The question of whether the United States has reached a stage of deceleration in economic growth rates has also remained open. Researchers also disagree in their evaluations of the effect of various factors on these growth rates (an increase in manpower and productive capital, a change in their qualitative makeup, long-term changes in the level of their use, progress in the scientific, technical and management sciences employed in production, an increase in production scales accompanied by a savings in resources, etc.).

The accuracy of forecasts for different variables can differ widely itself. The size of the labor force can be estimated for the middle range with the greatest degree of reliability. This is determined on the basis of forecasts of growth in the population of working age and changes in the level of public economic activity, that is, the percentage accounted for by the labor force in the total population of working age. Errors in the measurement of the first quantity can be avoided. The possibility of errors in the estimation of the second quantity is also fairly limited. For this reason, the entire range of all the estimates of the middle-range rate of increase in the potential labor force, as shown in Table 1, is a minimum one. In the figures for 1976-1980, the difference between the lowest and highest estimates is 0.2 percentage points, and there is no difference whatsoever in the figures for 1981-1985.

The experts disagree to a much greater extent in their calculations of future tendencies in the growth of potential labor productivity (the relationship of the potential GNP to the potential size of the labor force or to the potential fund of working time). Here the forecasts are based on contradictory hypotheses in regard to the proportional relationship between factors determining an increase in potential labor productivity.<sup>7</sup> All of these hypotheses, however, are similar in their exclusion of the possibility of dramatic changes in rates of increase. Here the authors rely on their knowledge of historical development and their own ideas about the mechanism of the process.

For many decades after the end of the last century, the average annual rates of increase in potential labor productivity per man-hour in the U.S. national economy as a whole changed within the limits of 1.8 to 3.5 percent,

and the tendency toward a rise was usually prevalent. At present, it is felt that the stability of the rates of increase in labor productivity on the national economic level to the degree that these rates are determined by scientific and technical progress can be explained by two factors: In the first place, many minor inventions and improvements are systematically being incorporated into the national economy, and the incorporation of these is increasing along with the increase in the scales of production activities; in the second place, the effect of major discoveries and inventions is spread out through time. We know that such discoveries are being made during the present era at different rates of frequency. But the role played by discoveries and inventions in the tendencies toward a rise in labor productivity is not always clear. The effect of other factors on labor productivity is also not always traced and is evaluated in different ways.

Table 1 shows that the highest estimate of the average annual rate of increase in potential labor productivity per worker (2.6 percent) is more than twice as high as the lowest estimate (1.2 percent). (Estimates calculated on the basis of the man-hour are not present in many forecasts and are less representative.)

The range of forecast estimates of the rate of increase in the potential GNP is smaller than that of estimates of the increase in labor productivity. This is due to the stabilizing influence of the relatively reliable forecast of the potential size of the labor force. The range again rose (3.1-6.9 percent) when we examined forecasts of the real GNP. These are of an extremely conditional nature due to the intensified effect of cyclical forces on economic development. The estimate of the real GNP depends on the reliability of the forecast of growth in the potential GNP and on anticipation of the duration and intensity of current and later phases of the cycle.

Estimates of the increase in investments in productive capital are no less conditional. Usually the volume of capital investments changes more than the real GNP under the influence of cyclical forces, scientific and technical progress and the economic policy of the government. In view of the fact, however, that part of the increase in investments is used to replace withdrawn capital, fluctuations in the rate of increase in the capital itself are much less significant than in the case of the rates of increase in capital investments.

#### Hypotheses

Every comprehensive American forecast is based on a combination of various hypotheses about the peculiarities of cyclical development during the present stage, the conditions for attaining the objectives of the government's economic policy, changes in the long-range tendencies toward increase in labor productivity and the GNP, the role played by an increase in productive capital in guaranteeing economic growth, etc. Two or more contradictory hypotheses for each of these categories can exist and be used simultaneously.

Table 1

Forecasts of Changes in Basic Indicators of Economic Growth  
(Average Annual Rates of Increase), %

Авторы прогноза и дата его составления	1976—1980 гг.						1981—1985 гг.					
	(18) ВВП реальный	(19) ВВП потен- циальный	(20) Рабочая сила потен- циальная	Производительность труда потенциаль- ная		(24) Основ- ные фонды *	(18) ВВП реальный	(19) ВВП потен- циальный	(20) Рабочая сила по- тенциальная	Производительность труда потенциаль- ная		(24) ОСНОВНЫЕ ФОНДЫ*
				(21) на одного занятого	(22) на одного чел./час.					(21) на одного занятого	(22) на одного чел./час.	
(17)												
1. Бюро экономического анализа, 1975 г. . . . .	5,8	3,6	1,7	1,9	...	4,4	—	—	—	—	—	—
2. Административно-бюджетное управление, 1975 г. . . . .	6,2	3,9	...	...	...	...	—	—	—	—	—	—
3. Дейта рисорса, инк., 1976 г. . . . .	4,3	3,6	1,6	2,0	...	3,0	—	—	—	—	—	—
4. Брукингский институт, 1975 г.	6,9	4,3	1,7	2,6	...	3,9	—	—	—	—	—	—
5. Уортон эконометрик (Форк-стинг ассошиэйтс, инк., 1974 г. . . . .	...	3,5	1,8	1,7	...	4,7	—	—	—	—	—	—
6. Э. Ф. Денсон (Брукингский институт), 1972 г. . . . .	...	4,0	1,7	2,3	2,6	4,7	—	—	—	—	—	—
7. У. Д. Нордхауз (Йельский университет), 1972 г. . . . .	...	3,4	1,6	1,8	2,1	...	—	—	—	—	—	—
8. Дж. Л. Перри (Брукингский институт), 1971 г. . . . .	...	4,3	1,7	2,6	2,9	...	—	—	—	—	—	—
9. Исследовательская группа Совета по вопросам экономической политики, 1975 г.	6,5	4,0	1,7	2,3	2,6	3,5	3,6	3,0	1,1	1,9	2,2	4,2

(Continuation of Table 1)

Авторы прогноза и дата его составления	1976—1980 гг.						1981—1985 гг.						
	(18) ВВП реальный	(19) ВВП потен- циальный	(20) Рабочая потен- циальная сила	Производительность труда потенциаль- ная			(24) Основ- ные фонды *	(18) ВВП реальный	(19) ВВП потен- циальный	(20) Рабочая потен- циальная сила	Производительность труда потенциаль- ная		(24) Основ- ные фонды *
				(21) на занятого	(23) на одн. чел./час.	(22) на занятого					(23) на одн. чел./час.		
(17)													
10. Экономический совет при президенте, 1974 г. . . . .	...	3,8	1,7	2,2	2,5	...	...	...	3,2	1,1	2,1	2,4	...
11. Бюро трудовой статистики, 1974 г. . . . .	...	4,1	1,7	2,4	2,7	4,4	...	...	3,3	1,1	2,2	2,5	4,6
12. Делта ресурсиз, инк., 1975 г. . . . .	5,5	3,3	1,6	1,7	...	3,1	3,6	3,6	...	...	...	...	4,0
13. Чейз эконометрик ассоши- ейтс", 1975 г. . . . .	3,1	3,6	...	...	...	2,6	4,1	2,3	...	...	...	...	3,1
14. К. Алмон и др. (университет штата Мэриленд), 1973 г. . . .	...	2,8	1,6	1,2	...	4,3	...	...	2,2	1,1	1,1	...	3,7
(15) Диапазон прогнозов . . . .	3,1—6,9	2,8—4,3	1,6—1,8	1,2—2,6	2,1—2,9	2,6—4,7	3,6—4,1	2,2—3,6	1,1	1,1—2,2	2,2—2,5	3,1—4,6	
(16) Среднеарифметическая величина	5,5	3,7	1,7	2,1	2,5	3,9	3,8	2,9	1,1	1,8	2,3	3,9	

\* Основные фонды частного сектора, исключающая жилищные.

Economic Report of the President 1976\*, Wash., 1976; The U. S. Budget in Brief, Fiscal Year 1977\*, Wash., 1976; The Data Resources Review\*, February 1976; Methods of Long Term Planning and Forecasting\*, London, 1976; The Structure of the U. S. Economy in 1980 and 1985, Bureau of Labor Statistics Bulletin\*, Wash., 1975; Effects of Fiscal and Monetary Policies on Capital Formation and Economic Growth, Seminars, Committee on the Budget, U. S. Senate\*, Wash., 1975; Long Term Economic Growth, Hearings before the Subcommittee on Economic Growth of the Joint Economic Committee, 93d Congress of the U. S. Second Session\*, Wash., 1974; C. Almon, Jr. a. o. 1985: Interindustry Forecasts of American Economy\*, Lexington, 1974; Chase Econometric Associates, Inc., August 1975; G. L. Perry, Labor Force Structure, Potential Output and Productivity, Brookings Papers on Economic Activity\*, Wash., 1971, № 3; W. D. Nordhaus, The Recent Productivity Slowdown, Brookings Papers on Economic Activity\*, Wash., 1972, № 3.

[Key on following page]



Key:

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|---|---|
| 1. Bureau of Economic Analysis, 1975                        | 11. Bureau of Labor Statistics, 1974                  |
| 2. Office of Management and Budget, 1975                    | 12. Data Resources, Inc., 1975                        |
| 3. Data Resources, Inc., 1976                               | 13. Chase Econometric Associates, 1975                |
| 4. Brookings Institution, 1975                              | 14. C. Almon et al (University of Maryland), 1973     |
| 5. Wharton Econometric Forecasting Associations, Inc., 1974 | 15. Range of forecasts                                |
| 6. E. F. Denison (Brookings Institution), 1972              | 16. Average   |
| 7. W. D. Nordhaus (Yale University), 1972                   | 17. Authors of forecasts and dates of compilation     |
| 8. G. L. Perry (Brookings Institution), 1971                | 18. Real GNP  |
| 9. Research group of the Council on Economic Policy, 1975   | 19. Potential GNP                                     |
| 10. Council of Economic Advisors to the President, 1974     | 20. Potential labor force                             |
|   | 21. Potential labor productivity                      |
|   | 22. Per worker  |
|   | 23. Per man-hour                                      |
|   | 24. Fixed capital                                     |
|   | * Fixed capital in private sector, including housing. |

a) The cyclical nature of development: Six of the seven forecasts compiled during 1975-1976 are based on the hypothesis that cyclical ascent will be the prevalent force in American economic development right up to 1980. Only one forecast (Chase Econometric--No 13 in Table 1) is based on the assumption that, during this period, the economy will experience another severe "recession." This assumption, in turn, is based on the belief that the present slow increase in capital investments will not permit the United States to overcome the limited nature of its raw material and energy resources in time. The researchers who compiled this forecast believe that the cyclical ascent will cease, just as in 1973, as a result of the lack of proportion in the branch structure of the economy, the latest bursts of inflation and the failure of purchasing power to keep up with production levels as a consequence of inflation. The strong point of this forecast is its consideration for the tendency toward synchronization of the cyclical development of capitalist nations. Its weak point consists in its assumption that there will be a repetition of the unfavorable circumstances of 1973 in the United States. But the history of economic cycles attests to the fact that the picture of cyclical development is constantly changing.

The present cycle of economic development in the United States is characterized by alternate periods of relatively slow and extremely intensive rise in the level of production. During the phase of recovery (from the second quarter of 1975 through the second quarter of 1976), the rate of increase underwent dramatic changes, which can be seen from the following data: [See table on following page]

	1975				1976			
	I	II	III	IV	I	II	III	IV
Rate of increase in GNP, calculated for the year, %	-9.9	5.6	11.4	3.3	9.2	4.5	4.0	4.0

The attainment of the maximum pre-crisis level and the beginning of a transition to the phase of upsurge were "marked" by a considerable decline in the rates of increase in the real GNP: During the third and fourth quarters of 1976, it amounted to around 4 percent on an annual basis and was lower than the rate of increase in economic potential. As a result, the level of unemployment rose. American economists feel that the reason for periodic pauses in the augmentation of the production volume can be found in the slow rate of increase in investments in fixed capital and in the regulation of the growth of commercial and physical stocks by firms. Their estimates of the degree of fluctuation in these rates differ considerably. They see this as a manifestation of the instability of the economy and even as a sign of the approach of a new "recession" (objectively, these estimates confirm the Chase Econometric forecast). Others feel that the periodic relaxation in the intensity of production expansion, which guards the economy against "overheating," creates the prerequisites for a lengthy period of upsurge; this opinion is corroborated by optimistic forecasts for the 5 years. In August 1976, A. Greenspan, who was then the chairman of the President's Council of Economic Advisors, said that the course of "economic recovery" (after the crisis of 1973-1975--V. K.) corresponds to the usual patterns of the "upsurge-interval" and "there are no signs of latent deterioration of the situation."<sup>8</sup> But soon after this statement was made, "deterioration of the situation" became a reality, forcing even the more optimistic American economists to reconsider their conclusions in regard to the state of affairs and to make the necessary adjustments in their previously compiled forecasts.

b) Assessment of the conditions for attaining a GNP level by 1980 that will be closed to the one needed for "full" employment (that is, for a 5-percent rate of unemployment):<sup>9</sup> Five of the six optimistic forecasts of growth in the real GNP up to 1980 are based on the assumption that this objective, set by the government, will be attained. These are mainly the forecasts of government agencies and the Brookings Institution, which advises the government. The attainment of a 5-percent rate of unemployment will require that the average annual rate of increase in the real GNP during this 5-year period amount to 5.5-6.9 percent, according to various forecasts, depending on the estimated rate of increase and economic potential.

Table 2

## Forecasted Levels of Production and Unemployment

(12) Автор прогноза и дата его составления	(13) ВВП в ценах 1972 г., млрд. долл.		(14) Индекс роста (ВВП 1975 г.=100)		(15) Уровень безрабо-	
	1980 г.	1985 г.	1980 г.	1985 г.	1980 г.	1985 г.
1. Бюро экономического анализа, 1975 г.	1575	—	133	—	4,9	—
2. Административное и бюджетное управление, 1975 г. . . . .	1600	—	135	—	5,2	—
3. Дейта рсурсиз, инк., 1976 г. . . . .	1464	—	123	—	6,5	—
4. Брукингский институт, 1975 г. . . . .	1656	—	140	—	5,0	—
5. Исследовательская группа Совета по вопросам экономической политики, 1975 г. . . . .	1625	1940	137	164	5,0	4,0
6. Дейта рсурсиз, инк., 1975 г. . . . .	1550	1850	131	156	5,0	5,0
7. Чейз эконометрик ассошиэйтс, 1975 г.	1382	1690	117	142	9,3	6,3
8. Национальная ассоциация планирования, 1974 г. . . . .	—	1805	—	152	—	4,0
9. Дженерал электрик, 1975 г. . . . .	—	1712	—	144	—	5,3
(10) Диапазон прогнозов	1382—1656	1690—1940	117—140	142—164	4,9—9,3	4,0—6,3
(11) Среднеарифметическая величина (округленно) . . . . .	1550	1800	131	152	5,8	4,9

## Key:

- |   |   |
|---|---|
| 1. Bureau of Economic Analysis, 1975                      | 8. National Association of Planning, 1974         |
| 2. Office of Management and Budget, 1975                  | 9. General Electric, 1975                         |
| 3. Data Resources, Inc., 1976                             | 10. Range of forecasts                            |
| 4. Brookings Institution, 1975                            | 11. Average (rounded off)                         |
| 5. Research group of the Council on Economic Policy, 1975 | 12. Authors of forecasts and dates of compilation |
| 6. Data Resources, Inc., 1975                             | 13. GNP in 1972 prices, billions of dollars       |
| 7. Chase Econometric Associates, 1975                     | 14. Growth index (1975 GNP = 100)                 |
|   | 15. Rate of unemployment, %                       |

These calculations are based on the assumption that the cyclical upsurge during the second half of the 1970's will be even stronger than during 1962-1966, when the average annual rate of increase in the real GNP was 5.4 percent, and that government methods of economic stimulation during the next few years will mainly be those used in the 1960's. A major role

here is relegated to the stimulation of private capital investments by means of sequential cuts in income taxes, the reduction of depreciation terms for fixed capital and the granting of tax benefits to company owners on the basis of the amount of capital they have invested in equipment. But when we evaluate these calculations, we must remember that the Republican Administration which came to power at the end of the 1960's limited the growth of federal expenditures on social needs, which decreased the consumption rates of the working public and impeded production expansion.

How valid are the forecasts in relation to the level of the GNP? We must remember, above all, that the American economy is now in a much more complex situation than at the beginning of the 1960's due to accelerated inflation, the rapid rise in prices, the intensification of the ecological crisis, and the failure of raw material and energy development to keep up with the growing demands of production. And we must say that relatively little was done in 1976 to overcome this retardation in the raw material sphere. A considerable part of the capital invested in the raw material branches was used for the construction of purification installations, and not for the enlargement capacities. Besides this, the government has tried to avoid any kind of special measures, directed toward acceleration of the investment process in the raw material branches, relying on the effect of general measures to stimulate this process in the economy as a whole. We can only note an increase in expenditures on research and development, connected with the search for new technical solutions to energy and raw material problems; but these measures will not affect the U.S. economy during the current 5-year period. Under these conditions, more and more American economists are predicting that the nation will suffer an acute shortage of raw materials by 1978. This was warned, in particular, by L. Klein.<sup>10</sup> E. Fiedler, economist at the Conference Board research organization, believes that the upsurge may come to an end long before the attainment of "full" employment and that, even if there is a rise in production which could reduce the rate of unemployment to 5.5-6 percent, an irreplaceable shortage of raw materials may become apparent.<sup>11</sup> All of this gives us reason to doubt that the U.S. economy will be able to attain a level close to the one needed for "full" employment by 1980.

In this connection, it would be wise to discuss the forecast of the Data Resources firm, drawn up in 1976 (No 3 in tables 1 and 2). The authors of this forecast feel that a level close to "full" employment will not be reached by 1980. They expect the rate of growth in the real GNP to slow down considerably after the first part of the phase of upsurge is over during the next year or two, since this upsurge is taking place under conditions of underloaded capacities and that a lack of proportion will be discovered in growth rates. Correspondingly, they assume that the average annual rate of actual increase in the GNP will be somewhat higher than 4 percent, while the rate of unemployment will not drop to 5 percent by 1980, but only to 6.5 percent. Essentially, this forecast focuses attention on the same contradictions in the growth of the American economy as the Chase Econometrics forecast, but its authors tend toward optimism in their

conclusion that the use of economic potential during this period will rise considerably in comparison to 1975. Evidently, it was precisely due to the influence of the Chase forecast that Data Resources revised their own estimates for 1975 so dramatically in 1976 (No 12 in Table 1).

As for the rates of growth in industrial production, they, according to American economists, will be higher than the rates of increase in the real GNP. This is connected with the fact that, during the last crisis, the volume of industrial production decreased much more. According to the Data Resources forecast, the average annual rates of growth in industrial production during 1976-1980 will be 6.1 percent.

The average rate of increase in the real GNP up to 1980 for all the forecast estimates presented in Table 1 amounts to 5.5 percent. This is much lower than the estimates of such government agencies as the Bureau of Economic Analysis and the Office of Management and Budget. It would seem that 5.5 percent can be regarded as the possible maximum average annual rate of increase in this indicator during 1976-1980, since the estimates of American federal agencies are usually excessively optimistic, in spite of all the care with which they are worked out. And the minimum rate of increase in the real GNP, if we accept the hypothesis that cyclical upsurge will prevail during the period up to 1990, might be the rate of increase in the potential GNP. Let us examine the estimated rates of increase in economic potential.

c) Changes in the rate of increase in potential labor productivity and the potential GNP: There is an especially large number of contradictory hypotheses in this area. We will only discuss the main ones.

At the end of the 1960's and the beginning of the 1970's, the hypothesis according to which the rate of increase in the potential GNP would reflect changes in the rate of increase in manpower, while the rate of increase in labor productivity would remain practically constant, was prevalent and was given official status. Correspondingly, it was expected that the rate of economic growth in the 1970's would be somewhat higher than during the first half of the 1960's due to the higher rates of increase in manpower, and that the average annual rate of increase in potential labor productivity would remain the same as it had been during this period of the 1960's. The decline in the rates of increase in potential labor productivity which followed at the end of the 1960's and the beginning of the 1970's did not fit into this scheme and required explanation.

Some American researchers were inclined to explain this deceleration as the result of coincidental and temporary causes (for example, disproportions in the development of the economy, which are usually intensified at a time of rapid rise in prices). Some researchers even expressed doubts about whether the deceleration was actually occurring. They spoke of the purely cyclical origins of this phenomenon. Complaints were made about the defects in procedures for excluding the influence of cyclical factors on the level of production. This is the position, for example, of E. Denison.

But most American researchers saw the deceleration of the increase in potential labor productivity as a definite natural tendency of a noncyclical nature, explained it in different ways and, correspondingly, assessed future tendencies in different ways. For example, G. Perry advanced the hypothesis of the existence of a negative correlative dependence between the rates of increase in manpower and labor productivity. According to this hypothesis, the deceleration of the rate of increase in potential labor productivity at the end of the 1960's and the beginning of the 1970's was a result of the accelerated increase in the size of the labor force. This increase was accompanied by deterioration in the "quality" of the labor force due to the higher percentage of age and sex groups with a productivity level lower than the national average. (At the same time, Perry showed that official statistical agencies had underestimated the increase in public economic activity.) Conversely, the expected deceleration in the increase in manpower during the second half of the 1970's should be accompanied by an improvement in the quality of the labor force and an accelerated rate of increase in labor productivity. According to this scientist, the rate of increase in the potential GNP will remain fairly stable during the 1970's, exceeding the average rate of increase during the first half of the 1960's (see No 8 in Table 1).

Another researcher, W. Nordhaus, said that the deceleration in the rates of increase in labor productivity was due to changes in the branch structure of the American economy. According to his interpretation, for instance, an increase in the percentage accounted for by the service sphere in the national economy will continue to be accompanied by deceleration in the rates of increase in labor productivity in the future. He bases this on the assumption that, within individual branches, the rate of increase in labor productivity will remain fairly stable and, in any case, there will not be a simultaneous rise or fall in the rates of increase in labor productivity in all branches at once. His estimate of the future rate of increase in potential labor productivity and the GNP (see No 7 in Table 1) is much lower than Perry's estimate.

C. Almon's group compiled a more pessimistic forecast of the growth of economic potential (No 14). It differs from Nordhaus' forecast in the sense that it predicts a decline in the rates of increase in labor productivity in all branches at once, explaining this prospect by the decrease in major technical innovations, the intensification of the raw material, energy and environmental problems and a rise in the amount of capital required in production. The main distinctive feature of Almon's forecast consists in the fact that he does not take factors working against the deceleration of rates of increase in labor productivity into consideration. In part, this is justified: Major changes in the technical basis of the national economy, such as the development of nuclear power engineering on the most progressive basis and the complete computerization of the processing industry, are expected to take place within the coming 10 years. At the same time, there are factors working against the tendency toward a decline in labor productivity within the near future (5-10 years), and it would be wrong to ignore

them. In particular, there is a process of reduction in the amount of energy and material required for production. The use of automatic installations in industry is spreading rapidly. We can expect a rise in the growth rate of labor productivity in the service sphere on the basis of concentration, the improved organization and computerization of production and the development of progressive forms of service; improvement in the age structure of the labor force is also expected.

Not one of these hypotheses, however, claims to account comprehensively for the effects of basic factors on labor productivity, much less to explain the mechanism governing their interaction. This probably explains why none of the hypotheses has supplanted the other.

In general, of the seven forecasts compiled during 1971-1974, three estimated the average annual rate of increase in the potential GNP during the present 5-year period at no lower than 4 percent. And most of the forecasts drawn up during 1975-1976 (five of the seven) gave more modest estimates. On the whole, the average estimate for the 14 forecasts was 3.7 percent.

d) Tendency toward growth of fixed capital: Most of the forecasts accepted the hypothesis according to which production will become increasingly capital-intensive during the next 5-10 years, that is, the growth rate of fixed capital will be higher than the growth rate of the potential GNP. This is connected with the need for overcoming retardation in the raw material and energy base, with the growing demands for the ecological purity of technological processes and with the need for raising the capital-labor ratio in the service sphere. The average estimated rate of increase in capital during 1976-1980, according to all forecasts containing this kind of information, was 3.9 percent. But the very latest unofficial forecasts were based on the belief that the objective of covering the shortage of capital investments resulting from the crisis of 1973-1975 by 1980 is not realistic. And the slower growth of capital will either lower the rates of increase in the real and potential GNP or make the United States more dependent on imports of raw material.

e) Economic development during 1981-1985: Most of the forecasts for this period are based on the assumption that the problem of attaining "full" employment will be solved during the present 5 years (1976-1980). This also applies to the problem of overcoming the retardation in raw material and energy development. Correspondingly, it is assumed that the real GNP and fixed capital will grow more rapidly than the potential GNP during the next 5-year period. As for this last indicator, its rate of increase is expected to slow down mainly because of the expected drop in the rates of increase in manpower.

## Conclusions

1. An examination of the forecasts reveals an extremely broad spectrum of hypotheses on American economic development during the periods up to 1980 and up to 1985. Some of these hypotheses seem less realistic, since they assume the rare combination of only favorable or only unfavorable circumstances. Evidently, it would be best to disregard the extreme figures predicted by American scientists for the rates of increase in certain indicators when we evaluate the prospects for economic development in the United States.

2. The average quantities derived from these American forecasts correspond to one another enough, combining to make up an independent summary forecast which is presented in the last line of Table 1. On this basis, we can assume that, during the current 5 years and during the next 10 years as a whole, the rates of increase in the real GNP will be higher than during the last 5 years, when then amounted to around 2 percent, and the last 10 years (1966-1975) as a whole, when they were 2.5 percent. The rates of increase in fixed capital will also be higher than the rates of the last 5 years. At the same time, the rates of increase in the potential GNP during the second half of the 1970's will be lower than during the first half (4.2 percent). A further decline in this indicator is expected during 1981-1985.

3. It would seem that the most valid range of possible average annual rates of increase in the real GNP during the current 5 years is 3.7-5.5 percent, which corresponds to the average rates of increase in the potential and real GNP in Table 1.

4. The range of average annual rates of increase in the real GNP during 1981-1985 can be set at 2.9-3.8 percent.

5. On the basis of these forecasts, we can conclude that the real GNP in the United States in 1980 will exceed the 1975 level by approximately one-third, but no less than 20 percent, and the GNP in 1985 will be higher than the 1975 level by 50 percent. The increase in the per capita GNP will be lower due to the expected population increase of approximately 5 percent for the 5 years and 10 percent for the 10 years.

6. The tendency toward deceleration in the rates of increase in the potential American GNP does not necessarily signify a further decrease in the percentage accounted for by this nation in the world capitalist economy. We can expect that a similar tendency will become apparent in most of the other developed capitalist countries and that it will be even more dramatic, since they have essentially already completed the period of intensive changes in the branch structure of the economy, connected primarily with a decrease in the percentage of the population working in agriculture consequently, the degree to which the United States is lagging behind the rates of economic growth for most of the other developed nations will evidently decrease.



This survey of American forecasts demonstrates, in particular, that the United States is now facing a dilemma: It must decide whether it will be able to ensure a relatively high rate of increase in the real GNP, in which case the rate of unemployment will drop, or whether they will not be able to achieve these rates, in which case the scales of unemployment will be even greater than they are now. This dilemma has arisen at a time of crisis in the present methods of state-monopolistic economic regulation, the intensification of disproportions in the economic structure and a further increase in economic instability, which has become a characteristic feature of economic development in the nation. The first steps taken by the Carter Administration in the area of economic policy attest to its intention to continue stimulating the rates of economic growth and total demand. On the whole, the measures it has proposed do not go beyond the traditional methods of state-monopolistic regulation.<sup>12</sup> It seems, therefore, that these measures will not lead to any substantial results in the attainment of the objectives that have been set.

#### FOOTNOTES

1. See, for example, S. A. Dalin's article "On the Limitations of the Econometric Perception of Capitalist Realities," SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 9, 1972.
2. See, for example, "Prognozirovaniya kapitalisticheskoy ekonomiki. Problemy metodologii" [Forecasting Capitalist Economics. Procedural Problems], Moscow, 1970; "The Prospects for Economic Development in the United States during 1970-1980 in the Estimation of American Bourgeois Economists," in the book: *svyaznyye dvukh sistem. Novyye yavleniya v ekonomike kapitalizma* [The Rivalry Between the Two Systems. New Phenomena in Capitalist Economics], Moscow, 1967, pp 50-63.
3. The main difference between the way in which general economic indicators, such as national income, labor productivity and fixed productive capital, are calculated in the United States and the way they are computed in the USSR consists in the fact that, in the United States, these indicators describe the development of the entire national economy, while in the USSR they only concern the sphere of physical production. In American statistics, any activity within the national economy is called economic activity, and its estimated value is included in the national product. In Soviet economic science, the question of the boundaries of national production is a debatable one.

The potential indicators calculated in the United States characterize the level of the GNP, the size of the labor force and the level of labor productivity possible with a 4-percent rate of unemployment. They reflect the growth of the nation's economic potential, that is, long-range tendencies toward increase in production scales. The real

indicators characterized the actual level of the GNP in constant prices, the size of the labor force and the level of labor productivity resulting from an increase in economic potential and changes in its utilization under the influence of cyclical forces and short-range market conditions.

The specific way in which summary indicators are computed in the United States is described in greater detail in the monograph: A. A. Poduzov, V. G. Klinov and A. V. Morozov, "SShA: izmereniye ekonomicheskogo rosta" [The United States: The Measurement of Economic Growth], Moscow, 1976.

4. In accordance with the interpretation of economic production accepted in American statistics, national accounts of revenues and the product in the United States reflects the formation and final use of national income and the GNP. Plans are being made to supplement them with accounts of fixed capital, commercial and physical stocks and natural resources, as well as accounts of "intangible assets," formed as a result of expenditures on social needs.
5. K. Marks and F. Engels, "Works," vol 25, pt I, p 184.
6. The last period for which statistical data exists, taken as a basis for the construction of a model.
7. Most of the factors determining economic growth are simultaneously factors determining the rise in potential labor productivity. During different periods, the influence of one set of factors abates, while that of the others increases. Therefore, changes in the rate of rise in labor productivity in general reflect the total effect of factors differing in terms of their degree of influence and their tendencies.
8. INTERNATIONAL HERALD TRIBUNE, 6 September 1976.
9. American federal agencies responsible for economic policy regard "full" employment as a labor force in which the rate of unemployment is 4 percent. At present, however, American researchers feel that it would be impossible to reduce unemployment to this level during the 1970's because of unfavorable changes in the sex and age structure of the labor force in recent years (they are referring to the increase in the percentage accounted for by demographic groups with a higher rate of unemployment than the national average).
10. U.S. NEWS AND WORLD REPORT, 23 August 1976.
11. THE CONFERENCE BOARD RECORD, August 1976.
12. This measure is described in detail in the report by Yu. I. Bobrakov in this issue of the magazine--Ed.

## BOOK REVIEWS

### A SERIOUS AND UNBIASED APPROACH

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 4, Apr 77 pp 85-87

[Review by Frederick Starr of the book "Svidaniye s Kaliforniyey," (A Date With California) by S. Kondrashov, Moscow, Molodaya Gvardiya, 1975, 351 pages]

[Text] How can the Soviet people and the Americans get to know each other better? Seeking at least a partial answer to this question are numerous institutes and scholarly centers created in recent years as a result of the development of contacts between our two countries. Naturally, neither the American studies of the problems of the Soviet Union nor the Soviet studies dealing with America are free of shortcomings. Still, their scholarly achievements in studying our countries are fairly impressive. In presenting the existing situation to their public, the best specialists in Soviet-American affairs are doing all they can to do so with utmost fairness and objectivity, and to orient their research in the field of special sciences in the proper direction. However, despite their enormous importance, monographs dealing with individual branches of science, as well as studies involving an analysis of technical problems, have a relatively limited audience. As a matter of fact, the circulation of even the most popular special journals and scientific treatises is extremely limited.

That is why the task of the journalist assumes a special role: his articles, based on many years of experience, meet with instant response among the reading public. Such reporting reflects a wealth of impressions as well as judgments by well-informed observers whose writing ability can be envied by any author. Books of this type become popular with hundreds of thousands of readers, and deserving of the highest rating among them is the one by Stanislav Kondrashov, entitled "A Date With California."

Why with California? Having made a number of trips to the Golden State in the 1960's and '70's, Kondrashov has come to the conclusion that it is precisely California which combines -- and sometimes even slightly exaggerates -- numerous tendencies present also in other states of the Union, but where they

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do not stand out so clearly. During a 1968 visit to California, Kondrashov witnessed the riots and the antiwar demonstrations. In 1973, he was back in California, but now found it more cautious, reserved, and relaxed. Unlike customary travel reportage, Kondrashov's writing in no way resembles the cold, still pictures in a photo album, but can best be compared to a lively movie film.

He is a brilliant excursion leader. He seldom invites his reader to admire the usual points of interest, but prefers to show him the more unusual things. Of course, the thruways of Los Angeles and the sequoias reaching into the sky in the national park are also referred to in the pages of his book, but, at the same time, he presents some interesting sketches of members of the Black Panther party in Oakland, the Molochans in the San Joaquin valley, and the Armenians in Fresno County. By its style, Kondrashov's writing is more like portraiture than social analysis. The author has an exceptional talent for description which, in depth, is on the level of his responsiveness and sympathy for the suffering of others. No matter who he is writing about -- and the circle of individuals he describes is very broad indeed -- he inevitably succeeds in illustrating the internal essence of the person and does not resort, in so doing, to superficiality or the caricaturing of his subject.

The various studies of problems in the United States -- as well as of those in the Soviet Union -- can be divided, one might say, into two categories. Belonging to one group are those studies in which an attempt is made to synthesize, on the basis of common assumptions, hundreds of diverse and contradictory impressions. The other type seeks to present a colorful and complex image of reality in all its diversity. Alexis de Tocqueville's book, "Democracy in America," can serve as an example of the first kind, as can also the works of Russian authors such as Svin'yin, Ostrovskiy, and Varga. Among works of the second category are the travel reports on America by Turkatenko, Krivitskiy, Strel'nikov, and Peskov. Of late, these were the books about America which had the greatest impact upon their readers. Kondrashov, too, belongs to this group and is perhaps even its outstanding representative. Of course, he clearly emphasizes that his concern is with the principal problems. But it is precisely because he knows just what he stands for that he is able to analyze, with utmost clarity, all the complexity of the problems typical of California, and share his knowledge with his readers.

Since Kondrashov had no intention of presenting an exhaustive analysis of the state of affairs in California, it would be unfair to start picking on his conclusions, especially because this reviewer himself is not very objective and sees the problems of the Far West with the eyes of a man from the Middle West. However, one would still like to make two remarks in passing. The first one deals with the question of the demography of California, which requires a more thorough analysis. Kondrashov justly noted that millions of Americans emigrated to California during the 1950's and 1960's in search of some sort of "paradise on earth." However, he should have also noted that the majority of these people were coming from the Middle West and the South and that the "paradise" they were seeking was at their disposal also before leaving, although, in many respects, it appeared to them as if in a mirror, i.e. backwards.

This yearning for a new civilization, free of the restraining fetters of society, was felt most strongly by the young people. This surge, intensified by disappointment over the Vietnam war, had generated new ideals -- those of the so-called "counter-culture." During the 1970's, the picture changed, however. California was being abandoned by more people than were arriving, and this had a significant effect in eroding the clear-cut moods of the 1960's.

Secondly, it seems to me that it would have been useful if Kondrashov had examined in detail the very idea of "counter-culture." It may well be that the Los Angeles man who told Kondrashov that whatever was happening today would be happening in the whole of America tomorrow was just bragging and was not completely accurate. Still, it is true that the young people's culture in California has already left a deep mark in various areas of the American way of life, affecting its music, sexual mores, eating style, and attitude toward nature. It would have been useful to analyze the essence of this special world -- especially because Kondrashov has a sharp insight and can recognize phenomena outside of the customary ones.

But what other ideas does one get from reading "A Date With California"? In the first place, the book stresses the importance of studying the social psychology of the Americans. During the last decade, Soviet authors wrote a good many books about American history, economics, sociology and politics. But the question of how the Americans themselves react to various events in these fields is very seldom touched upon by the Soviet Americanists. Just as, incidentally, American researchers ignore social psychology in their studies of the Soviet Union.

Apart from that, the Kondrashov book suggests the idea of the need to carry out special research concentrating on specific regions of the U.S. By using the material of mass information media one can be led to conclude that America is a homogeneous entity, without any geographical differences. And yet Kondrashov shows -- and this is also confirmed by election data -- that regional characteristics continue to exist and that, moreover, they are of great importance. Soviet specialists, with their old and outstanding traditions of regional analysis, should turn their eyes upon these aspects of American life, and take up, let us say, the problems of such specific areas as New England, the Great Lakes region or the states of the "sun belt."

To consider Kondrashov's book as belonging to the academic category would be to render him a disservice. In thinking about his book, one comes to the conclusion, again and again, that nothing can replace the acute insight of a well-informed and unbiased observer, who approaches the subject under study with interest and sympathy, and who also has exceptional literary talent, which enables him to relay his findings to a broad circle of readers.

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CSO: 1803

U.S. LABOR UNIONS: TACTICS OF BOURGEOIS-LIBERAL REFORMISM

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 4, Apr 77 pp 87-88

[Review by N. N. Tarasova of the book "Profsoyuzy SSHA i Sotsial'naya Politika Pravitel'stva" (American Labor Unions and the Social Policy of the Government) by V. A. Liven', Kiev, Naukova Dumka, 1975, 230 pages]

[Text] The monograph under review is devoted to one of the important problems of internal political life in the U.S. -- questions of social policy of the American ruling circles during the second half of the 1960's and the attitude of various political forces in the country toward that policy.

The problem of poverty, which Liven' analyzes in the opening portion of his book, had become one of the most critically serious problems in the U.S. during the 1960's. The author defines poverty as an "inseparable part of the complex of social flaws which characterize the capitalist system," and he exposes the lack of validity of bourgeois definitions and interpretations of this concept. He emphasizes that the specifics of this phenomenon in the U.S. -- the highly developed and richest country of the capitalist world -- consists of the "existence of an enormous gap between possibilities and realities." (p 25)

The "Great Society" program, advanced by the Democratic administration in 1964, as well as the "War on Poverty," and the management of appropriate social policy "from above," were due, first of all -- as this monograph convincingly demonstrates -- to the explosive situation in the country. The administration of Lyndon Johnson tried to find some palliatives. The late president called for a "war on poverty," for liquidating racial inequality, providing employment for young people, reorganizing the system of job training and creating a program for retraining workers in outdated industries, improving the social security system and medical care, expanding housing construction, liquidating slums, creating "model cities," cleaning up the environment, eliminating crime, ensuring the economic development of specific regions now in a state of profound economic depression, etc. (pp 67, 71) Liven' examines in detail the measures carried out by the administration and comes to the conclusion that the social programs proposed were grandiose only in words, but that their execution in practice did not correspond to the advertised intentions of the government. An analysis of the essence of the social policy of this period and an evaluation of its results are the most successful part of the book under review, carried out at a high professional level.

A large amount of space in the book is devoted to a study of the attitude of the American labor unions toward President Johnson's program. Relying, as a rule, on the pre-election efforts of their "friends" the Democrats and believing that its desires would be "taken into account" in case of a Democratic victory at the polls, the top leadership of the AFL-CIO advanced a social program of its own -- the "Labor Union Platform for America," which was published on the eve of the presidential elections of 1964.

This platform reflected some of the most important demands of the working class, prepared under conditions of a class struggle. However, as the author emphasizes, it would be "an exaggeration to believe that this was a program for independent political action." Only under pressure from below was the top management of the AFL-CIO forced to include in its program a number of questions of vital importance to the working people (e.g. an increase in the guaranteed minimum wage, full employment, and many other questions of no lesser significance).

In conclusion, the author mentions the position of American communists, their attitude toward the "Great Society" programs and the "War on Poverty." Only the Communist Party of the U.S., says he, did not limit itself to criticizing the social policy of the Johnson administration, but also proposed a program of socioeconomic measures designed to meet the needs of all exploited people.

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## U.S. POLICY TOWARD LATIN AMERICA DURING WORLD WAR II

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 4, Apr 77 pp 88-89

[Review by A. V. Yegorova of the book "Politika SSHA v Latinskoy Amerike (1939-1945)" (U.S. Policy in Latin America, 1939-1945) by I. I. Yanchuk, Moscow, Nauka, 1975, 336 pages]

[Text] The monograph under review deals with an important period in the history of Latin American diplomacy of the U.S. Thanks to the situation resulting from World War II, the U.S. succeeded in crowding out, in the Western hemisphere, its ancient British competitor and put an end to the headlong thrust of the expansion of fascist Germany in this part of the world. The U.S. had thus firmly established its own hegemony here in the sphere of economic, political and military relations.

The special characteristic of this monograph consists of the fact that it relates a general analysis of Washington diplomacy in Latin America to a specific study of American relations with such countries as Argentina, Chile, Brazil and Mexico, which used to hold a leading place in Latin American politics. Besides the diplomatic aspects of the problem, the book also devotes some attention to the military-strategic plans and military policy of the Pentagon in Latin America.

In tracing America's foreign policy course in this part of the world, the author indicates that in 1939-1940 American policy-makers were concerned principally with the problem of forcing their competitors -- especially the Germans -- out of the Western Hemisphere. In this connection, they made active use of the Panama conference of foreign ministers of American countries (held in September 1939), which accepted the standards of neutrality as proposed by the U.S. and approved what was essentially an anti-German resolution regarding the creation of a "security zone" 300 miles wide around the Western Hemisphere countries. When Germany attacked, in April 1940, the neutral countries of Denmark and Norway, thus ending the period of the so-called "phony war," the trade, economic and diplomatic struggle between Germany and the U.S. became extremely acute because the U.S. found itself deprived of its markets and resources in Europe. The author believes that the consolidation of fascism in Europe as a result of the fall of France and the defeat of the British



expeditionary force in the summer of 1940 obliged the U.S. to activate its own diplomacy. This consisted of urgently undertaking a number of measures designed to retain U.S. influence in the Latin American countries in case of the defeat of Great Britain, and thus convert the Western continent into a solid economic and political base as well as a military bridgehead to resist the growing German menace.

On the basis of a study of such measures taken by Washington, the author comes to the conclusion that by the end of 1941 a military-political and economic bloc came into being in the Western Hemisphere, aimed pointedly at the Axis powers. "In accordance with U.S. plans," says the author, "Latin America was being turned into an American economic reserve facility and a region for creating military support bases." (p 158). Attracting its "southern neighbors" (except for Argentina and Chile) into the anti-Hitler coalition in 1941-42, as well as the steps taken to ensure U.S. control over an uninterrupted supply of raw materials, contributed to the further strengthening of the U.S. position in this region.

The author justly notes that the Latin American policy of the U.S. in 1944-45 -- when the eventual collapse of Germany and Japan became obvious -- was dictated by the desire to convert the entire continent into a reliable rear base for U.S. operations. The conference at Chapultepec, Mexico, in February-March 1945 worked out a project for the creation of a new regional organization in the Western Hemisphere, under the aegis of the U.S., for the purpose of strengthening American influence in the UN. Thereupon American diplomats began to step up their efforts to strengthen the domination of the U.S. in the Western Hemisphere. They opened negotiations with Latin American countries regarding the conclusion of permanent military accords and the extension of the lease on U.S. bases also to the postwar period. The author believes that these efforts are sufficiently convincing proof of the lack of validity of claims by American foreign policy apologists to the effect that the U.S. had never sought to hammer together any military blocs in the Western Hemisphere.

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## AMERICAN ECONOMIC SCIENCE AND POLICY-MAKING

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 4, Apr 77 pp 89-90

[Review by A. I. Deykin of the book "SSHA: Ekonomicheskaya Nauka i Ekonomicheskaya Politika" (USA: The Science of Economics and Economic Policy) by I. V. Likhacheva, Moscow, Nauka, 1975, 224 pages]

[Text] In recent years, Soviet scholarly literature dealing with problems of the U.S. has been devoting, ever more space to an analysis of the general role, dynamics and growth rate of state-monopoly regulation of the American economy.

Unfortunately, much less attention has been paid to studying the mechanism and the variety of means enabling the government to intervene in the economy, i.e. the operations of that government mechanism which develops and formulates the principal economic decisions and carries out in life concrete economic measures. The monograph under review now fills this gap.

Quite logically, the author chose the Council of Economic Advisers of the President as the principal object for her research. This organ, which is part of the Executive Office of the President, was the initial link in the mechanism of government regulation of the American economy. It was this council which was entrusted, under appropriate legislation, with the duty of carrying out purposeful intervention in the economic life of the country. As is noted in the foreword to this book, written by A. G. Mileyskiy, a corresponding member of the Academy of Sciences of the USSR, the council performs, "to a considerable extent, the functions of a general staff, working out the doctrine of economic policy as propounded by the president of the U.S."

The author shows the complex and contradictory process of the development of the American economy, which objectively required -- and still requires -- an ever-growing intervention by the state -- both direct and indirect -- in the various spheres of the country's national economy, despite all the inconsistency and limited effectiveness of these measures and despite all the slogans calling for a "reduction" of government regulations. Appeals to that effect are being launched from time to time by certain groups among private entrepreneurs and by some scholars subordinated to their influence.

At the same time, the author analyzes all the most important traits which characterized the activity of the Council of Economic Advisers ever since its

inception. It should be emphasized that the book by Likhacheva is the first one in Soviet scholarly literature to analyze in detail the phenomenon -- relatively new for the capitalist world and, especially, for the U.S. -- of the conversion of economic science into an active vehicle for influencing state economic policy and the firm injection of theoretical concepts and doctrines into the process of developing and carrying out the most important political decisions in the field of economics. The book also duly reveals the logic and practical inevitability of this process in a capitalist state. It notes that this process continues under the most complex conditions involving acute and many-sided contradictions both among the scholars themselves and in those circles of American society which -- in one form or another, and in different directions -- exert an influence upon the formulation of the government's economic decisions. The functions of the Council are examined in detail as are also the characteristics of its organizational-political makeup.

Here one should like to make a little observation on a matter of principle. The economic council in question is identified in the book as the Council of Economic Consultants. This would seem to be inaccurate. The point is not, of course, that this title is not a completely accurate translation of the English original. Throughout almost the entire book, the author convincingly shows that the council, under the influence of objective facts and needs, has inevitably acquired the traits and characteristics of an increasingly more active "instrument of presidential power." Not a single important decision regarding economic policy is made without participation of the council, and its members also take part in a number of other domestic and international organizations. Finally, the lack of validity and collapse of the idea of restricting the operations of the council to carrying out consultative functions is well described in detail by the author in those pages of the book where she describes the struggle between the "passive" doctrine of the council's first chairman, E. G. Nourse, and the concepts of the man who replaced him, Leon H. Keyserling, who sought to step up the operations of the council. The council, of course, does not take part directly in the operational enforcement of decisions taken with its assistance. However, it does control, to a considerable extent, their fulfillment, the preparation of presidential messages, reports, memoranda, etc. No wonder that President Carter plainly identifies the new chairman of the council, Charles Schultze, as the leading economist of his administration. It would certainly seem more accurate and correspond better to reality to call this group the Economic Council.

This remark, of course, in no way diminishes the scholarly and practical value of the monograph under review. The Soviet reader, working on -- or just being interested in -- American problems, will find here a profound and original investigation of one of the principal subjects of America's modern economics.

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## A MOST LUCRATIVE FIELD

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 4, Apr 77 pp 90-91

/Review by V. I. Sokolov of the book "Gosudarstvo, Kapital i Rekreatsionnyye Resourtsy" (The State, Capital and Recreational Resources) by I. G. Vasil'yev, Moscow, Nauka, 1976, 143 pages/

[Text] Tourism and recreation have become one of the most profitable fields of activity for private entrepreneurs in the U.S. The profitability of this industry is due to the significant increase in the amount of money which Americans spend on leisure. In many ways, this is due to growing emotional and other strains, resulting from the further intensification of production, difficulties of living in America's modern cities because of noise, air pollution, overcrowding, etc., as well as a number of other factors. As a result, businessmen have an opportunity to extract enormous profits from the leisure time of the population. Indeed, the gross product of the leisure-related industry in the American economy has risen above \$50 billion. Available prognoses indicate that this figure will reach \$85 billion in 1980.

The development of tourism and recreation depends today more than ever upon the combined use of all the natural facilities which make it possible to satisfy the physical, aesthetic and educational needs of the population and which are defined as the natural recreational resources. It is precisely from this point of view that the monograph under review examines the condition of America's modern recreation industry. At the same time, the book also examines a broad circle of problems which reveal the causes of the growth of this new form of social production, its scope and characteristics, and the nature of the intervention of the American bourgeois state in this field, as well as the influence of tourist activity upon the entire economy of the country.

The author examines the basic trends in the development of tourism and recreation in the U.S. These trends are determined by the nature of the tourist services (hotels, restaurants, auto rental facilities, etc.) as well as by the type of goods being produced to satisfy the demand of the tourist market (equipment, fishing and hunting accessories, special means of transportation, etc.) On the whole, the total of capital investments in the field of tourism and recreation increased five-fold between 1947 and 1968, whereas the average increase in the volume of investments in the entire economy of the U.S. during the same period was only 2.5 times. (p 102)

The rapid growth of the tourism and recreation industry created the need for government intervention into this sphere of activity of capital. The monograph under review analyzes in detail the state-monopoly mechanism which regulates the utilization of resources for recreational purposes -- including legislative aspects of the problem as well as the forms and methods of financing being used in this field, and the utilization of other means of budgetary leverage. The highly ramified structure of the government organs dealing with this problem also includes such specialized services as the Bureau of Outdoor Recreation, the National Park Service, U.S. Fish and Wildlife Service, and a number of others. At the same time, the author justly points out the limitations and the fragmented activity of the bourgeois state in this field, because its principal objective is to create a profitable base for the operations of monopoly capital. Thus, quite recently, in order to meet the current economic situation -- and mostly in order to please the petroleum monopolies -- the U.S. government had authorized oil drilling in many sections of coastal territories which have an exceptional recreational potential.

Many specific questions touched upon in this monograph will undoubtedly attract the attention of specialists. This includes such things as the methodology for investigating national recreational resources, classification of the principal forms of recreational territories, the role and place of recreational resources in the general system of land utilization, rental relationships, etc.

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WASHINGTON-BONN: MODELS OF 'SPECIAL TIES'

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 4, Apr 77  
pp 92-94

[Article by B. P. Sitnikov]

[Text] The debate on the future relations between the United States and West Germany is still going on in the Western press. The problem of Washington's "chief" partner on the European continent still plays a significant part in this debate.<sup>1</sup> According to many specialists, only the FRG, because of its growing economic and political importance, is capable of filling this role at present.

An article by R. Katzenstein, assistant professor at Cornell University (United States), on "The Place of the FRG in American Foreign Policy," printed by the West German magazine EUROPA-ARKHIV,<sup>2</sup> analyzes different views that have been expressed in western literature in recent years on the developmental prospects of American-West German relations. In spite of all their diversity, there are actually, according to the author, only three "hypothetical models" being advocated for the structuring of these relations.

The "center" of the world capitalist economy--this model emphasizes economic matters of global significance. "If it were possible to combine West German economic potential with American, the United States would be able to occupy the same strong position in the capitalist world that it had in the beginning of the 1950's and to construct its political strategy on this basis," writes R. Katzenstein.

The conditions for this kind of unification of economic potential, in the author's opinion, were created by the oil crisis of 1973, from which the FRG, in contrast to other states in Western Europe, derived a certain amount of political capital. The relative stability of the West German currency motivated the Arab nations to convert part of their monetary resources into West German marks, as a result of which the FRG's positive balance of foreign trade not only failed to decrease, but actually increased.

Another favorable factor consists in the mutual interest of Washington and Bonn in stabilizing the shaky foundation of the capitalist economy. In the

article, the author states that the establishment of "a new economic order" in the world will only become possible if the United States and the FRG assume the active role of leaders in worldwide capitalist economic affairs.

In addition to these favorable conditions, however, the economic positions of the United States and the FRG are characterized by several "discrepancies" which make this model--joint policy on the basis of combined economic potential--improbable.

In the first place, the author writes that American-West German relations in the area of military and political matters will continue to be characterized by considerable inequality during the foreseeable future. In the second place, in contrast to the United States, the FRG is extremely vulnerable to interruptions in imports of raw materials. Under the conditions of the present shortage of raw materials in the world markets, this will inevitably evoke different foreign policy reactions, as was the case, for example, in October 1973 (at that time, the FRG, just as other Western European countries, refused to allow the United States to use its territory for airlifts of American strategic cargo to Israel). In the third place, the West German economy is much more subject to the effects of fluctuations in the world market than the American economy. For example, exports account for 23 percent of the FRG's gross national product, which is almost six times higher than the corresponding American indicator. West Germany's intense dependence on the foreign market, including the American market, makes the stimulation of German exports necessary as the only effective way of maintaining market conditions in the nation on a high level. This also frequently gives rise to differences of opinion in American-West German relations.

On the basis of this, R. Katzenstein concludes that this model is hardly a realistic basis for the joint foreign policy and economic strategy of the United States and the FRG.

The FRG as "a basis of support in the Atlantic alliance"--in this model, American-West German relations are examined on the regional scale. The FRG is assigned the role of a promoter of American military, economic and political interests in Western Europe. A great many factors, the author says, attest to the superiority of this alternative strategy, since Western Europe and the North Atlantic alliance will continue to serve as important reference points in American foreign policy in the future. The relatively weak military and economic positions of the FRG would guarantee that the United States would always play the leading role in any "special partnership" with West Germany. Besides this, this strategy was already conducted for some time during the 1950's and 1960's and produced, in his opinion, positive results.

But this is only the American approach, R. Katzenstein notes, and it does not correspond to Bonn's ideas on foreign policy. Although the West German Government favors good relations with the United States, the establishment

of this kind of "special alliance" does not enter into its plans, since the economy and politics of Western Europe are no less important to the FRG. Almost half of West Germany's exports are shipped to the EEC countries, exceeding exports to the United States by 400 percent. In addition to this, officials in Bonn have not lost the hope that the FRG's military and economic strength will permit it to occupy the leading position in an integrated Western Europe.

The difference between the globally oriented American foreign policy and the regionally determined West German policy is exerting pressure on American-West German relations. "There are significant differences between the goals of the vast American empire and the desires of the West German regional empire," particularly in regard to such matters as Western European unity, East-West relations and the political development of the Mediterranean countries, the author writes.

"At a critical moment, however, the FRG would take the side of the United States rather than that of Western Europe, although with great regret. This variant of the 'special partnership' would not serve American-West German relations well," he concludes.

The FRG as "an intermediary in international politics"--this model combines elements of the first two and is evaluated by R. Katzenstein as the most acceptable under present conditions. Its major advantage, in his opinion, consists in the fact that it corresponds most to Bonn's interests while simultaneously satisfying the requirements of the United State's search for a "reliable" partner.

The experience of recent years has shown that the FRG is becoming more and more eager to play the part of a middleman in international affairs. For example, in the Middle East, West German diplomats were able to modify their traditionally pro-Israeli policy so skillfully that this did not lead to serious conflicts with Israel or the Arab states; in the dialog with the oil-exporting nations during the discussion of the "new international economic order," the FRG attempted to speak for all of the Western European countries; it eagerly plays the role of a middleman within the North Atlantic alliance as well.

In R. Katzenstein's opinion, the FRG's assumption of middleman functions corresponds to the goals of American policy to a considerable degree, since, in this capacity, it could affect international relations in ways pleasing the United States. There is no doubt that the two nations would not agree on some matters and that the West German middleman would have an inhibiting effect on American foreign policy. In the final analysis, however, the author writes, this inhibiting effect would be useful to the United States: The position occupied by West Germany would serve as a warning signal that American moves in the world arena that are not supported by the Western European countries would have little chance of success.



In his analysis of the advantages of this model, the author lists its negative features. For example, it is not absolutely compulsory that the West German intermediary be a "honest middleman" in all cases. For example, the deflation policy of the FRG Government, aimed at preventing the revaluation of the West German mark, has traditionally been conducted to the detriment of most nations, which do not have the domestic economic scope for the systematic implementation of this kind of policy. "The liberal coat worn by West German foreign policy has been fashioned so elegantly that it conceals the mercantile interests of West Germany."

Katzenstein sees the growing priority of domestic policy in most of the Western nations as the second source of risk in this model. "During a century in which domestic policy is playing an increasingly important role, we may well ask how long the FRG will be able to effectively play the part of an international middleman."

If the United States decides to seek the support of the FRG, however, the role of Bonn as an intermediary, particularly in the affairs of Europe and the North Atlantic alliance, will correspond most fully to the interests of Washington's foreign policy, the author concludes.

R. Katzenstein's article attests to the emergence of certain new features in the American idea of "Atlanticism." They are characterized by the desire to avoid rivalry between NATO and the EEC when priorities are being set in foreign policy strategy and an attempt to connect the global interests of the United States with the regional interests of Western Europe. This reflects Washington's adaptation to new conditions in the world and, in particular, to the changing correlation of forces between the two centers of rivalry within the imperialist system--the United States and the EEC.

#### FOOTNOTES

1. For a more detailed discussion of this matter, see SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 1, 1975 (T. V. Oberemko, "In Search of a 'Reliable' Partner"); No 1, 1976 (A. A. Trynkov, "U.S. Atlantic Ally Number One?").
2. EUROPA-ARKHIV (10 June 1976) is the organ of the FRG's foreign policy society, founded in 1955 in Bonn. The magazine discusses urgent problems in international political and economic problems, publishes documents pertaining to these problems and prints the results of various studies in this area.

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CSO: 1803

## PRISONERS OF FEAR

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 4, Apr 77  
pp 94-95

[Article by S. V. Gevorgyan]

[Text] A few American newspapers recently reported the following incident. A gangster--a safecracker--was being tried in Washington. When the judge asked him why he only did his work during the day, the robber, without a trace of humor, answered: "Don't you know that it's impossible to go out on the streets at night! You could get robbed!" This humorous incident reflects the crime rate in the nation's capital to a certain extent, but, as attested to by the press, the situation is no better in America's other cities.

"We export technology. Why can't we import ways to make streets safe? We spend billions to protect ourselves from the Russians, but it is the street gangs in America who frighten me. I am disgusted with weak government officials." This is an excerpt from a letter to the editors of TIME from William D. Brown, a resident of Hanover (Pennsylvania).<sup>1</sup> The same issue contains letters from other readers, most of whom are senior citizens, suffering from the wild outburst of crime to a particularly intense degree. All of these letters are reactions to an article printed in the magazine not long before.

If the old person musters up enough courage to go out on the street, writes the TIME reporter, he listens anxiously for the sound of approaching footsteps and eyes every passerby with fear and suspicion. When he takes a walk, he must carry a police whistle. After the sun sets, he will not leave his barricaded apartment that has been turned into a fortress.

Police statistics do not categorize crimes against the elderly separately, but the authorities are worried that the number of such crimes might increase substantially and take on threatening proportions.

The TIME reporter was concerned about what was going on in the streets of three American cities. New York policeman Donald Gaffney told him: "The

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1. TIME, 20 December 1976, p 2.

elderly are the prime targets of young hoods operating in raiding teams of three or four, or even more. Many victims refuse to turn to the police, fearing the vengeance of the hoodlums and knowing that impunity has become part of the American way of life."

Ann Lewis, a 77-year-old resident of Chicago, told the reporter how she was recently knocked down in front of her own home by two juvenile delinquents who were trying to steal her wallet. "I almost died of fright," complained Ann Lewis. "I'm scared. But I can't afford to live anyplace else. Tell me, where can I go? Where can I live?"

The reporter found that the situation was the same in Oakland. Here is what he reports: "At first glance, everything looks quite normal. The rows of houses are brightly painted, the hedges neatly trimmed, the yards well kept, the city clean and tidy in the warm afternoon sun. But where are the people? Streets are virtually deserted. Blinds are drawn and windows are fortified with heavy iron bars. This is a section of East Oakland, where many elderly retirees live." These are the victims of teen-age thugs. "There is no explaining the cruelty of some crimes," TIME reports, and gives the following example: Hildur Archibald, 90-year-old resident of the city, surely did not have the strength to resist. She was found in her home, dead of multiple knife wounds and displaying the traces of a cruel beating.

A reporter from THE NEW YORK TIMES MAGAZINE interviewed several residents of East Manhattan (a region in New York). He said that all of them feel isolated and helpless against the hoodlums. They live behind seven locks and are not in any condition to resist their attackers.

It is not only the residential neighborhoods that are being terrorized. Commercial establishments and enterprises, stores and banks, bus stations and airports have had to hire security guards and take all possible safety measures. The ASSOCIATED PRESS decided to replace its ordinary windows with bulletproof glass in its rented skyscraper in Rockefeller Center, where the news agencies of newspapers from almost every country in the world are also located.

According to official sources in the United States, at least half of all street crimes--robbery, breaking and entering, assault, etc.--are committed by dope addicts.

"Drug addiction has become a national tragedy," President G. Ford said in a special message to Congress. "It strikes citizens of all ages and all social strata--from housewives to college instructors."

In New York, one out of every three students between the ages of 15 and 20 uses narcotics. The problem of drug abuse, in turn, is connected with the problem of organized crime. The same issue of TIME describes the considerable expansion of the world drug market, particularly the American market, ruled by the omnipotent Mafia, which shares its fabulous proceeds with the police and the courts.

"Crime and the fear of crime still constitute one of the most serious problems for our citizens," said President Ford in his farewell address on the state of the union. We should recall that 9 years ago, the Republican candidate for the presidency promised the American people that he would put an end to the catastrophic rise in the nation's crime rate and would restore law and order. G. Ford's admission, just as the alarm being sounded by the American press, attest to the fact that the Republican Administration, during 8 years in power, was not able to abide by the promise it made in its election platform.

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CSO: 1803

CURRENT ISSUES IN U.S. DEFENSE POLICY

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 4, Apr 77  
pp 96-102

[Continuation of serialized translation of excerpts of the book "Current Issues in U.S. Defense Policy," published by the Center for Defense Information, edited by David T. Johnson and Barry R. Schneider, New York, Praeger, 1976]

[Not translated by JPRS]

CSO: 1803

## PRESENT TRENDS IN CONSTRUCTION AND ROAD-BUILDING EQUIPMENT MANUFACTURE

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 4, Apr 77  
pp 103-116

[Article by K. M. Baranov]

[Summary] The United States has a powerful construction and road-building equipment industry, which has almost dominated the capitalist market for many years. In 1955, for example, it accounted for around 82 percent of the total production of this kind of equipment in the capitalist world. Although the more rapid rates of development in this branch in Japan, the FRG, France and Italy in recent years have closed this gap somewhat, the figure is still high--approximately 48 percent. And this does not include the growing production volume of American overseas branches.

By the mid-1950's, the American construction and road-building equipment industry was capable of completely satisfying the nation's demand for this equipment. In subsequent years, the branch grew even more, due to the large-scale program of highway construction adopted in 1956. Growth rates slowed down somewhat after the mid-1960's, when most of the highway work had been completed. This decline was also connected with the deterioration of conditions in branches using this equipment the most (the mining industry, industrial and residential construction, etc.).

The United States produces a great variety of types and models of construction and road-building machines and equipment. The industry is distinguished by the massive scales of its production output of parts and attachments for all types of machinery. This accounted for 28-34 percent of total production in the branch for many years.

The industry is also characterized by extensive research and engineering programs. Most of this research is directly connected with the development of construction and road-building equipment. Research on a smaller scale, but in an equally important field, is being conducted to improve technological processes for the purpose of increasing production efficiency. The research and engineering work of American firms is carried out by technical centers with their own laboratories and testing grounds.

## FACTOR ANALYSIS IN STUDY OF WORLD AFFAIRS

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 4, Apr 77  
pp 117-123

[Article by S. V. Melikhov]

[Text] One of the distinctive features of the bourgeois science of international relations is connected with attempts to make use of the achievements of the modern scientific and technical revolution in the study of world affairs. Particularly intensive work is being done in this field in the United States, where they have led to the origination of a new current in American political science, usually called "Modernism."

The sociopolitical platform of the "modernists" is constructed on the basis of old, "traditionalist" views, the nucleus of which is represented by the ideas of the school of "political realism."<sup>1</sup> A neopositivist philosophy lies at the basis of their methodological program.<sup>2</sup> As for the "modernist" techniques, they include sets of methods borrowed from mathematics and the natural sciences. It is these methods that actually represent the fundamentally new things that "modernism" has brought to the study of international relations. This is why an analysis of its techniques is particularly important in any examination of the "modernist" current. And here we are not only, and not so much, interested in the actual mathematical techniques used by the "modernists" (as a rule, they have been taken piece-meal from the non-humanities) as in the means by which they are used in the study of world affairs.<sup>3</sup> An examination of the latter presupposes the study of a group of the specific foreign policy problems they are supposed to solve, an analysis of the results, a determination of the degree of their reliability, an examination of the prospects for using this method in the study of international relations, etc.

The arguments between American "traditionalists" and "modernists" over the advantages of their respective approaches have essentially ceased. The former have proved the need for their approach, while the latter have legalized their own "new" current; they have apparently divided their "spheres of influence." The "traditionalists" are still working on foreign policy theories and hypotheses, using the terminology of the field of international

relations. The "modernists" are studying the formal logical structure of these ideas, hypotheses and the terminology itself, trying to give them an empirical interpretation and organize their verification with the aid of their own methodological techniques for the purpose of giving the government a more orderly and precise picture of specific foreign policy processes or events.

The methods of statistical mathematics occupy one of the central positions among the new techniques used by the "modernists" to study international relations. These methods include factor, correlative-regressive, dispersion, cluster and other types of analysis. All of them are frequently used not only in the capacity of the single method in a specific study, but also in combination with other formal logical methods. For example, statistical methods are used to process the results of expert appraisals, to construct all possible indices of qualitative change and to work out various forecasting techniques.

This article will only examine the experience in the use of factor analysis in American studies of international relations. This choice has been made for a number of reasons. In the first place, the American experience in the use of several other statistical methods has already been analyzed to some degree in Soviet scientific literature on foreign policy forecasts.<sup>4</sup> In the second place, the mathematical techniques of factor analysis are used in conjunction with other statistical methods and, for this reason, a study of their application to world affairs will also reveal the specific ways in which these other methods are used. And, finally, the methods of factor analysis have become quite popular with American "modernists." During the last 10 years, many monograph and magazine articles have been published in the United States on the study of world affairs with the aid of these techniques. Their popularity is attested to by the fact that the application of factor analysis to the study of international relations has taken the form of several group projects participated in by the Massachusetts Institute of Technology, Indiana University, the University of Hawaii, Yale, the University of Chicago, Northwestern University and other American research centers.

What is it that makes factor analysis so appealing to American "modernists"? What are its possibilities and merits? In the formal sense, it represents one of the divisions of multidimensional statistical mathematics. It is used in those cases when a certain set of objects (when factor analysis is applied to the field of international relations, governments usually represent these objects) is described according to a complex system of characteristics (features or parameters), which may be quite numerous. This description is translated into the standard form of the so-called matrices of data, in which the lines represent governments and the columns represent the characteristics of these governments. The numerical value of the characteristics in these governments is found at the intersection of the lines and columns. An example of a matrix of data for two governments (Brazil and Burma) described in terms of four characteristics is presented in the table.



Matrix of Data for 1955\*

Governments	Per Capita Gross National Product (GNP), in Dollars, $X_1$	Foreign Trade Volume, in Millions of Dollars, $X_2$	Defense Budget, in Millions of Dollars, $X_3$	% of GNP Used for Defense, $X_4$
Brazil	91	2,729	148	2.8
Burma	51	407	74	6.9

\* All numerical data taken from R. Rummel's work, "Understanding Factor Analysis," JOURNAL OF CONFLICT RESOLUTION, vol XI, No 4, 1967.

In this situation, it is natural to assume that the parameters<sup>5</sup> of each description (contained in the matrix of data) are connected with one another, and factor analysis serves as a means for studying the structure of the interconnection between parameters (more precisely, the correlative tie between parameters, that is, measurement with the aid of various coefficients of correlation). Its use aids in singling out a certain small set of fundamental, important features--factors standing for many parameters in the initial description. This kind of analysis also makes it possible to study the connection between factors and the initial characteristics of the objects. It can be used to express the value (or size) of the factor in numerical terms for each object of study. In view of the fact that factors usually represent extremely profound qualitative characteristics, which cannot be measured directly, this property of factor analysis makes it possible to approach the complex problem of the quantification (numerical expression) of characteristics of this kind. This problem is a particularly important one in studies of international relations, since it is extremely difficult to give a numerical value to characteristics in this field of the social sciences. Finally, the methods of factor analysis aid in the classification (categorization) of the set of objects being studied. One important feature of this kind of classification is the fact that it is not based on any single feature, but on an entire system of existing characteristics.

A graphic geometric illustration can be provided for the above discussion. The matrix of the initial data will correspond to a set of quantities relative to some fixed directed line (vectors) within a system of coordinates, each of which is identified with one of the governments. For example, the matrix of data from the table will correspond to the following geometric illustration (Figure 1). The angle between vectors (parameters  $X_1$ ,  $X_2$ ,  $X_3$  and  $X_4$ ) in Figure 1 indicate the correlative type between them. The smaller these angles are, the closer the tie between parameters is. The job of factor analysis consists in using certain mathematical operations to find a group of closely connected parameters,<sup>6</sup> and then to replace them with new parameters, which are called factors. As a result, the original system, involving a large number of parameters recorded in the matrix of initial data, is replaced by a new system of parameters consisting of a small number of factors. The initial parameters are connected with the factors by a

mathematical system of equations. Figure 2 shows the system of two factors replacing the original system of four parameters in Figure 1.

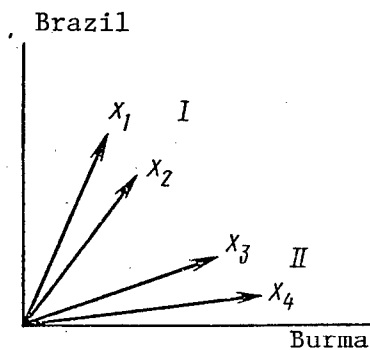


Figure 1.

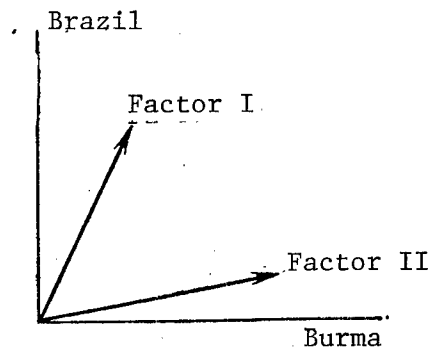


Figure 2.

An examination of the works of American "modernists" shows that they attempt to solve an extremely broad group of problems with the aid of factor analysis. Above all, they attempt to apply factor analysis to the study of systems of international relations as a whole. In particular, B. Russett has used various modifications of the factor technique to isolate and describe the following kinds of international regions: "Socially and culturally homogeneous," "similar in terms of political parameters and foreign policy behavior," "politically or economically interdependent" and regions of "geographical proximity."<sup>7</sup> The same techniques are used in several studies he has co-authored with H. Alker, analyzing international relations on the basis of the voting patterns of countries belonging to the United Nations at the 2d, 7th, 12th and 16th sessions of the General Assembly.<sup>8</sup> In these works, the authors tried to isolate the problems (factors) distinguishing the positions of the voting states and to determine the groups of members taking a similar stand on one or several problems.

The same series includes many group studies, one of which is the largest project carried out in the United States with the aid of factor analysis--the Dimensions of Nations Project--(DON). Almost 100 studies have been published as part of this project. The researchers working on this project wanted to determine the basic factors and related indicators of 236 parameters describing 82 states involved in international affairs, to determine the factors and indicators of the "behavioral" parameters of pairs of states interacting in the world arena and to disclose the interconnection between these factors. The job of empirically verifying the "theory of the field of social action," developed by project head R. Rummel,<sup>9</sup> was carried out simultaneously.

Besides this, American "modernists" are also attempting to apply factor analysis to the study of individual aspects and problems of international relations. For example, several works have been written by D. Wilkenfeld, R. Rummel, B. Russett and R. Tanter<sup>10</sup> on the problem of international conflict. These authors have tried to determine the factors lying at the basis of the "conflict behavior" of nations and the connection between the

factors and the initial parameters describing this behavior. They have also tried to establish a connection between the factors of the "external" and "internal conflict behavior" of nations and to categorize nations in terms of their "conflict behavior." The problem of the "comparative analysis of political systems" is the subject of the works written under the supervision of A. Banks, director of the Center for the Study of Comparative Politics of the State University of New York in Binghamton.<sup>11</sup> Using factor techniques, the authors of these works attempt to determine the main factors of a set of parameters describing, in their opinion, the political system of various nations and to find groups of nations with "similar" political systems.

In concluding our brief survey, we should mention the series of works by I. Adelman and C. Morris,<sup>12</sup> who have employed factor analysis for a quantitative assessment of the interconnections between social, political and economic factors in the developing nations, and the works of R. Chadwick,<sup>13</sup> in which he attempts to employ factor analysis to improve the imitative theory of international relations, developed by G. Goetskov, famous American expert on international affairs.

Most of the specific sociopolitical conclusions drawn from these studies by the "modernists" are, however, erroneous and distort the actual processes of international relations.

This is true, in particular, of the basic conclusion of the DON Project on the accuracy of R. Rummel's "theory of the field of social action." This "theory" represents a description of the "field approach" in the bourgeois study of international relations, formalized with the aid of factor analysis. The indiscriminate application of the field theory of classical physics to objects of a qualitatively different, social nature has caused bourgeois political scientists to lose the specific meaning of this area of research. To Rummel, the nations (or pairs of nations) participating in international relations are only elements of a formally determined expanse of parameters describing these nations (or pairs of nations). Rummel tries to "explain" the "behavior" of nations in the international arena exclusively through the "different values" of the coordinates (or "distances") characterizing these states.

In addition to being too abstract and formal, this kind of "field approach" has the fundamental defect of not being systemic. The need for a systemic approach to the analysis of international relations was even pointed out by V. I. Lenin. He stressed: "We do not only live in a state, but also in a system of states."<sup>14</sup> In attempting to explain the interrelations between any two states only on the basis of their own characteristics (and it is precisely this that is implied in the terms: "The distance between pairs of states," "the difference between the values of their coordinates," etc.), R. Rummel is ignoring the effect of other states and the entire system of international relations as a whole on these interrelations.

Another American "modernist," R. Tanter, follows in R. Rummel's footsteps in concluding that the foreign policy course of nations involved in international conflicts has no connection with the conflicts occurring within these nations. This conclusion ignores the interconnection between the foreign and domestic policies of governments, which can be clearly seen at a time when these states are involved in any kind of international conflict. The basic factors describing the political systems of various states found by F. Gregg and A. Banks do not include a single factor reflecting the most important element of the political system of any state--the class nature and characteristics of the governing authorities.

These examples show that the use of the precise mathematical system of factor analysis by the American "modernists" frequently leads them nonetheless to erroneous and groundless conclusions. This is due primarily to the bourgeois' failure to observe some of the sociopolitical, methodological and procedural prerequisites for the application of factor analysis to the study of international relations.

When the researcher studies world affairs with the aid of these techniques, he constantly encounters situations in which he must be guided by strictly qualitative considerations rather than by formal ones. This kind of situation arises, for example, when the researcher is choosing the initial parameters describing the objects of study, choosing the objects themselves or interpreting the factors he has derived.

When American researchers choose parameters (or objects) and interpret factors, they rely on the vast expanse of traditional bourgeois social studies. During the process of choosing parameters, in particular, they proceed from the "theory of the balance of forces" of the school of "political realists" (R. Rummel, R. Chadwick and others), the theory of political integration developed by K. Deutsch, E. Haas and A. Etzioni (B. Russett), W. Rostow's "theory of stages," "the theory of the mass society" (I. Adelman and C. Morris, F. Gregg and A. Banks et al) and the theories of "pluralistic democracy," "the elite" and "totalitarianism" (F. Gregg, A. Banks et al). The ideas usually used in addition to the "theories" listed above in the interpretation of factors are the idea of the "rich" and "poor" nations (H. Alker, B. Russett), "the sociology of development" (I. Adelman and C. Morris) and others. When bourgeois researchers employ factor analysis, all of the groundlessness and reactionary sociopolitical characteristics of these "theories"<sup>15</sup> are automatically carried over to the premises and results derived with the aid of the factor techniques.

Therefore, one of the main sources of the erroneous apologetic conclusions drawn by American specialists with the aid of factor analysis can be found in their eclectic borrowing of false theories and concepts from the storehouse of bourgeois political science--namely those theories and concepts on which they later rely in their determination of the parameters (or objects) to be translated into factors and in their interpretation of these factors.

The neopositivist methodological orientation of the American "modernists" has also given rise to another reason for erroneous conclusions, namely the unjustified generalization of results obtained with the aid of factor technique and attempts to use these techniques as a means for the "strict" empirical verification of hypothesis on international relations. The conclusions they draw with the aid of factor analysis and later verify on the basis of empirical material connected with a limited period of time and a limited number of international objects are usually represented as some kind of extra-historical, universal truths without any kind of limitations. For example, D. Wilkenfeld formulates an "extra-temporal law" for a certain group of states, consisting in the premise that "...the preceding international conflict (in which these states were involved--S. M.) has never been connected with the subsequent conflict within these states."<sup>16</sup> This kind of generalization does not agree with the technical possibilities of factor analysis. In its present state, factor analysis permits the derivation of conclusions which are only justified to some degree in relation to the specific empirical material, limited in terms of time and space, recorded in the initial data.

American experts on international affairs represent factor analysis as a "strictly scientific," "purely empirical" method of verifying all possible hypotheses in the field of international relations, in contrast to the "unscientific" methods of "speculative traditionalism." In particular, R. Rummel calls "the verification of hypotheses and theories" one of the main purposes of factor analysis. This is the view of most American political scientists using this method. In actuality, however, the application of factor analysis cannot be a purely empirical, unconditionally strict and objective procedure. This procedure includes many non-empirical elements in the form of a priori theoretical ideas and beliefs of the researcher, which can have a considerable effect on the final result of the analysis. The main channels for the penetration of these elements consists in the choice of systems of parameters to be translated into factors, the choice of objects and the interpretation of the factors. It is precisely through these channels that American political scientists bring the same traditional bourgeois sociopolitical ideas, with all their groundlessness, from which the "modernists" would like to publicly dissociate themselves, to their "modernist" studies.

This again corroborates the profundity and importance of F. Engels' statement that "exclusively empirical observation, which can, at best, only allow itself thoughts in the form of mathematical computations, imagines that it only works with indisputable facts. In actuality, it works primarily with /traditional/ ideas, most of them /obsolete/ [printed in bold-face] (emphasis ours--S. M.) products of the thought processes of its predecessors.... It uses the latter as a basis for endless mathematical computations, in which the hypothetical nature of premises is easily forgotten because of the strictness of the mathematical formulas."<sup>17</sup>

Another reason for the erroneous conclusions drawn by American experts on international affairs using these methods may be found in the many technical errors committed by them in the use of the formal mathematical system related to these methods. In this connection, we should first mention the formal premises, the satisfaction of which is essential to the proper employment of factor analysis in the study of international relations. An analysis of works by American authors shows that only a few of these premises are satisfied, while others are either not satisfied or simply postulated without any kind of verification. For this reason, the results of the American political scientists' use of factor analysis are deprived of any kind of strict scientific substantiation and cannot be considered valid, even when they are removed from the groundless qualitative sociopolitical ideas lying at the basis of this kind of application of factor analysis.

At the same time, our criticism of the American experience in using factor analysis to study world affairs should not, in our opinion, make us lose sight of the positive contribution made by such studies or the positive contribution they could make under certain circumstances. The singular works written by H. Alker, I. Adelman and C. Morris, A. Banks and F. Gregg, R. Rummel and B. Russett, based on factor techniques, required that the authors perform a vast amount of preparatory work in the collection and measurement of huge amounts of statistical data characterizing nations as participants in international affairs. Their classification of the quantitative information subjected to factor analysis has considerably augmented the reference sources for the study of history and international relations and has provided valuable material to be used in the study of world affairs by means of various formal logical research methods. In this connection, the statistical handbook,<sup>18</sup> compiled by the Center for the Study of Comparative Politics of New York State University in Binghamton, is of particular interest to specialists in the field of international relations. It contains data on 150 nations, classified according to 102 sociopolitical characteristics describing these states from the Vienna Congress of 1815 to the present time.

American researchers have tested various procedures for studying world affairs within the framework of the technical possibilities of factor analysis. For example, in the capacity of objects of research, they have examined individual states, pairs of states (R. Rummel) and delegations of nations belonging to the United Nations (H. Alker); they have applied factor analysis to individual subgroups of objects (J. Wilkenfeld, H. Alker); they have tried to determine constant factors by correlating similar factors from different studies (R. Tanter, B. Russett) and by comparing the factors derived from different objects (H. Alker) and parameters (R. Rummel).

Some of their procedural innovations also deserve mention; for example, H. Alker's technique for measuring the results of UN votes and his application of factor analysis basically to the coefficients of ranged correlation, which are constant in relation to the distribution of initial parameters. B. Russett's method of so-called direct factor analysis is also extremely interesting; it is not applied to a correlative matrix, but to a symmetrical one, the elements of which differ from the correlative coefficients of "interdependence."

The vast amount of work involved in the collection of facts, which has considerably augmented the reference sources of research on international relations, and the attempt to make maximum use of the possibilities of factor analysis and several new technical means (even though these are not completely strict in the logical sense) have aided in the accumulation of useful practical experience in its application to a new field of social studies, which is indisputably to the credit of American researchers.

This is also attested to by the fact that the previously mentioned shortcomings connected with the nonobservance of formal premises in the works by American "modernists" are partially due to objective difficulties arising from the peculiarities of international relations and the present state of statistical mathematics. It is sometimes impossible to strictly verify the degree to which certain formal premises lying at the basis of the application of factor analysis have been satisfied. This suggests that factor analysis in the study of international relations in general is only capable of playing the role of a heuristic means and cannot claim to produce unconditionally reliable results.

This evaluation of the possibilities of factor analysis does not mean that its utilization in the study of world affairs is always inefficient or ineffective. On the contrary, we feel that this technique is capable of producing extremely useful results if it is approached with the usual criteria governing the use of mathematical methods in the social sciences.

In this connection, we should note that the quantitative results obtained with the aid of factor analysis can serve as a basis for the subsequent use of other mathematical methods in the study of international relations for the purpose of forecasting and mathematical modeling. Factor analysis can also be used as an auxiliary means during the verification of certain types of hypothesis in the sphere of international relations. Finally, the use of factor analysis can sometimes stimulate the clarification of terminology used in the field of international relations.

This assessment of factor analysis as a heuristic means in the study of international relations does not diminish the significance of the use of this technique in this area, but only serves as confirmation of the auxiliary role that must be played by any logical mathematical method in the study of international relations. One of the important conditions for the effective use of factor analysis in the sphere of international relations, in addition to all pertinent technical requirements, is that it be based on the genuinely scientific theoretical foundation of the Marxist-Leninist science of international relations.

#### FOOTNOTES

1. For a more detailed discussion, see A. Karenin, "Filosofiya politicheskogo nasiliya" [The Philosophy of Political Coercion], Moscow, 1971;

V. F. Petrovskiy, "SShA: Vneshnepoliticheskiy mekhanizm" [The United States: The Foreign Policy Mechanism], ch XI, Moscow, 1972; S. A. Petrovskiy and L. A. Petrovskaya, "'Modernism' vs. 'Traditionalism' in the Bourgeois Study of International Relations," VOPROSY FILOSOFII, No 2, 1974.

2. For a more detailed discussion, see S. A. Petrovskiy and L. A. Petrovskaya, Op. cit.
3. In any applied research, mathematical techniques (methods and means) must be distinguished from the procedures for their use. An erroneous procedure, naturally, produces an erroneous result. But when mathematical techniques are being assessed in terms of the final results obtained with their aid, the unsubstantiated conclusion that the reason for error can be found in the techniques themselves is often drawn. This is due to a disregard for the fact that errors can also result from the incorrect procedures for using these techniques, including several informal aspects.
4. See, for example, A. K. Andreyenkov and L. S. Semeyko, "The Forecasting of International Relations in American Research Centers," SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 5, 1974; A. A. Kokoshin, "Prognozirovaniye i politika" [Forecasting and Politics], Moscow, 1975.
5. In this case, we are using the term "parameter" to signify a characteristic (or feature) of the object, expressed in numerical terms.
6. For example, groups I and II can be clearly seen in Figure 1.
7. B. Russett, "International Regions and International System," Chicago, 1967.
8. H. Alker and B. Russett, "World Politics in the General Assembly," New Haven and London, 1965.
9. R. Rummel, "Applied Factor Analysis," Evanston, 1970; Idem, "The Dimensions of Nations," Beverly Hills, 1972.
10. See, for example, R. Tanter, "Dimensions of Conflict Behavior Within and Between Nations, 1958-1960," JOURNAL OF CONFLICT RESOLUTION, vol 10, No 1, pp 41-64.
11. See, for example, A. Banks, "Correlates of Democratic Performance," COMPARATIVE POLITICS, No 4, 1972.
12. I. Adelman and C. Morris, "Society, Politics and Economic Development," Baltimore, 1967.
13. R. Chadwick, "An Indictive Empirical Analysis of Inter and International Behavior," JOURNAL OF PEACE RESEARCH, No 3, 1969.



14. V. I. Lenin, "Poln. sobr. soch." [Complete Collected Works], vol 38, p 139.
15. A detailed critical analysis of these bourgeois "theories" can be found in works by such Soviet authors as A. A. Mishin, B. A. Shabad, M. N. Marchenko, G. K. Ashin, D. M. Gvishiani, F. M. Burlatskiy, V. G. Kalenskiy, A. A. Fedoseyev, G. Kh. Shakhnazarov, G. A. Trofimenko and others.
16. J. Wilkenfeld, "Conflict Linkages in the Domestic and Foreign Spheres," in: "Quantitative Analysis of Political Data," ed. by S. Kirkpatrick, Columbus, 1974, p 357.
17. K. Marx and F. Engels, "Works," vol 20, pp 455-456.
18. A. Banks, "Cross-Polity Time Series Data," Cambridge (Mass.), 1971.

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## ONTARIO

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 4, Apr 77  
pp 124-127

[Summary] Ontario, the second largest province in Canada, occupies the central portion of this country, from Hudson Bay in the North to the Great Lakes in the South. According to official estimates, the population of the province reached 8.29 million at the beginning of 1976. The capital of Ontario is Toronto, the second largest city in Canada. The federal capital, Ottawa, is also located in Ontario.

During the 17th and 18th centuries, this territory was the location of many confrontations between the English and French colonial troupes then fighting for supremacy in North America. The territory was ceded by France to Britain in 1763. The British victory was aided by the migration of around 10,000 loyalist inhabitants of the American colonies to this territory after the American War of Independence. In 1867, when the Canadian Confederation was founded, Ontario was one of the four original provinces of the confederation.

Due to the great range of latitude, the climate in the province is extremely varied, but in general it is continental, with cold winters and warm or hot summers. Rivers and lakes occupy one-sixth of the territory. The population is concentrated in the southern half of the province. Here a territory of around 100,000 square kilometers (1 percent of the total area of Canada) is inhabited by one-third of the entire Canadian population. The rate of population growth in Ontario is much higher than the national average. More than half of the immigrants arriving in Canada come to Ontario.

Ontario is Canada's leading province in mineral production. Nickel, uranium, copper and gold are the main products of this branch. It also has the greatest industrial output among the provinces, with abundant hydroelectric power. It has highly diversified industries.

After World War II, Ontario became an important center of the workers' movement and gradually lost its reputation as a stronghold of conservatism. The headquarters of most Canadian labor unions and the Central Committee of the

Canadian Communist Party are located in Toronto. The province is represented by 24 seats in the Federal Senate and 88 in the House of Commons. Twelve of the ministers of the federal government represent Ontario.

Almost one-third of Canada's universities are located in Ontario. Dozens of newspapers and several progressive periodicals are published in Toronto. The majority of Canada's leading publishing firms are based here. Shakespeare festivals are held annually in Stratford. The province plays an important part in the cultural life of Canada.

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